solutions for small business

exploring business opportunities

a guide for entrepreneurs

DOC
BC
I46
D:E96
2000
c.3

BRITISH COLUMBIA
Canada

Canadian Cataloguing in Publication Data
Main entry under title:
Exploring business opportunities. —1986-

Irregular.
Sub-title varies.
Title from cover.
Imprint varies: 1989, Ministry of Regional and Economic Development;
1991, Ministry of Economic Development, Small Business and Trade;
1994, Ministry of Small Business, Tourism and Culture; 1996, Province of British Columbia; 1997- , Ministry of Small Business, Tourism and Culture.
ISSN 1208-753X = Exploring business opportunities

1. New business enterprises. 2. Small Business. 3. Entrepreneurship. I. British Columbia. Ministry of Industry and Small Business Development. II. British Columbia. Ministry of Regional and Economic Development. III. British Columbia. Ministry of Economic Development, Small Business and Trade. IV. British Columbia. Ministry of Small Business, Tourism and Culture.

HD62.5 658.1'1 C97-800371-3

This publication is printed by the Ministry of Small Business, Tourism and Culture, Province of British Columbia and Western Economic Diversification, Federal Government of Canada. If you have any comments or suggestions regarding the publications, please contact:

Province of British Columbia
Ministry of Small Business, Tourism and Culture
PO Box 9805, Stn Prov Govt
Victoria, British Columbia
V8W 9W1

Western Economic Diversification
700-601 West Hastings Street
Vancouver, BC
V6B 5G9
(604) 666-6256

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Forward

This publication is part of the **Solutions for Small Business** series sponsored by Western Economic Diversification and the B.C. Ministry of Small Business, Tourism and Culture.

Both agencies are committed to supporting the needs of small businesses and further information about small business programs and services is available on each agency's web site (www.wd.gc.ca and www.gov.bc.ca/sbtc).

The Solutions series is also available on both web sites as well as on the web site of Canada-B.C. Business Services (www.sb.gov.bc.ca). The four publications in the series are:

- Business Planning and Financial Forecasting
- Exploring Business Opportunities: a guide for entrepreneurs
- Resource Guide for British Columbia Businesses: information and guidelines
- Starting Your Home-based Business: a manual for success

Canada-B.C. Business Services is another joint partnership between Western Economic Diversification and the Ministry of Small Business, Tourism and Culture. The program offers specialists who can advise on taxation, statistics and business planning as well as a wide range of business information and interactive business planning tools.

Canada-B.C. Business Services has offices in Vancouver and Victoria as well as outreach centres throughout the province in the offices of Community Futures Development Corporations and Government Agents. For locations, or for more information, check (www.sb.gov.bc.ca)

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Contents

Qualities and Skills for Entrepreneurial Success iii

Introduction:
Finding and Developing Business Opportunities 1
- Generating Ideas and Identifying Opportunities 1
- Preparing a Business Plan 2
- Market Research 3
- How to Use This Book 4

Opportunities:
Find a Need and Create an Opportunity 5
- Invent a New Product or Service 5
- Locate a Patent Opportunity 6
- Assemble a Product 7
- Become a Supplier 8
- Combine Components 9
- Find Uses for Waste Materials 10
- Target a Small Part of a Large Market 11
- Pool Small Groups of Consumers with Specialized Needs 12
- Create a Market Demand 13
- Find People with Under-Utilized Skills 14
- Start a Co-operative 15
- Conduct Market Research for Other Businesses 16

Opportunities:
Build on an Existing Business or Consumer Need 17
- Market Someone Else's Product 18
- Become an Agent 19
- Become a Distributor 20
- Become an Import Distributor or Agent 21
- Become an Export Distributor or Agent 22
- Replace Imports 23
- Buy an Existing Business 24
- Buy a Franchise 25
- Recycle an Existing Product 26
- Add Value to Existing Products 27
- Substitute Materials in Existing Products 29
- Package or Unpackage Existing Products 30
- Improve an Existing Product or Service 31
- Imitate a Successful Product or Idea 32
- Find a Good Product That Has Failed 33
- Offer Discount Goods for Resale 34
- Customize Existing Products 35

Opportunities:
Build on Changing Trends 36
- Cater to Discarded Markets 36
- Take Advantage of a Market Switch 37
- Capitalize on a Growth Trend 38
- Take Advantage of New Fashions or Fads 39
- Take Advantage of Changes in Government Regulations 41
- Cover Market Gaps or Shortages 42
- Transfer a Concept from One Industry to Another 43
- Capitalize on Changing Computer Technology 44
- Help Other Businesses Take Advantage of New Technologies 45
- Create an On-Line Business 46

Opportunities:
Make Your Current Business All It Can Be 47
- Identify Opportunities Arising From Your Current Business 47
- Identify the Full Scope of Your Business 48
- Take Advantage of Circumstances 49
- Expand Market Areas 50
- Expand your Business over the Internet 51
- Franchise Your Business 52
- Meet the Same Needs in a Different Way 53
- Take Advantage of Global Markets 54

Appendix A: **Testing Business Ideas** 55
- Basic Considerations 55
- Collecting Information 55
- Asking the Questions 56
- Questions 56

Appendix B:
Sources of Help and Information 60

Appendix C: **Business Ideas** 61
- Agriculture, Agrifoods and Secondary Food Processing 61
- Aquaculture and Ocean Industries 62
- Manufacturing 62
- Technology and Environmental Industries 63
- Adventure Tourism 63
- Crafts and Cultural Industries 64
- Health Care Industries 64
- Home-Based Business Possibilities 65

Qualities and Skills for Entrepreneurial Success

It takes a certain kind of person to make a successful entrepreneur. It's not easy to go out on your own, leaving the safety net of your job behind you. A new venture is risky, and will make heavy demands on your time and your resources, both personal and professional. But with a strong inner drive to take control of your own destiny and reap the fruits of your own labour – and with as many of the qualities below as you can muster – success can be yours.

Entrepreneurial Qualities

These following personal qualities are advocated by business trainers as the keys to success as an entrepreneur. Ask yourself these questions, and be honest with yourself – to be successful, you must be aware of your strengths and weaknesses. Many of these qualities can be cultivated, and you can draw on outside resources to fill in any gaps.

1. **Do you have commitment, determination and perseverance?**
   Total dedication and perseverance will be the key to your business success. Finish what you start, even under difficult circumstances. Recognize that success doesn't happen overnight.

2. **Are you confident that you can succeed?**
   Believe in yourself and focus on what you must do to succeed rather than what you will do if you fail. If you believe in yourself, others will too.

3. **Are you creative and innovative?**
   An ability to come up with good ideas and see things from many angles will ensure you continue to meet market needs.

4. **Do you recognize opportunities when they arise?**
   Not only will you always need to be on the lookout for opportunities, but you must be willing to act on them decisively when the time is ripe.

5. **Are you willing to work hard?**
   Starting a business will be hard work, but the rewards can be great. The sense of satisfaction at your successes, both small and large, will compensate for all your time and effort.

6. **Can you handle responsibility?**
   You are the only one who can make your business succeed. The buck stops at you – set high standards for your own work and meet them.

7. **Do you have a need to achieve?**
   Complacency is the downfall of a business owner. Aspirations for success and a need to excel must be your driving force. A need to achieve is much more important that a desire for power and status. Money is not the best measure of success - you must derive satisfaction from seeing your hard work lead to results.

8. **Are you goal-oriented?**
   Focus on the future, with a clear sense of direction. To realize your goals, you must know where you are going and what you want to achieve.

9. **Are you action-oriented?**
   You will need to take the initiative and start producing results - be a self-starter and take control of your destiny.

10. **Do you like to solve problems?**
    You must be willing to tackle problems and identify solutions. Analytical ability is important, because business decisions often involve complex and sometimes conflicting considerations. Ensure you make decisions based on all the facts.

11. **Are you comfortable with uncertainty?**
    You will need to make decisions even when the best option is not totally clear. Follow your instincts but make sure you are well informed.

12. **Are you willing to take calculated risks?**
    There are no guarantees for an entrepreneur, but the risks you take should be well thought-out. You may need to push yourself past your comfort zone, but be realistic about the risks you take.

13. **Are you a realist?**
    You must recognize your strengths and weaknesses, know when there's a problem and admit when you're wrong. Don't blame others.

14. **Are you open to feedback?**
    You will need to learn from your successes and mistakes in order to improve and grow your business.

15. **Are you a quick learner?**
    View mistakes and failures as temporary setbacks and use what you learned from them as an opportunity to improve.

16. **Are you adaptable?**
    Accept that change is a part of life and use it to your advantage. Successful business people watch trends, take advantage of technological advances, make improvements over the competition and maintain an open mind. Flexibility is important, as you may need to alter plans quickly to address unforeseen circumstances.

17. **Are you self-reliant?**
    Independence and trust in your own abilities will ensure you are in control of your own destiny. You can't count on anyone but yourself - as the owner, you are the only one who can fulfill your role.

18. **Are you self-confident?**
    Belief in yourself will enable you to overcome the challenges you encounter and achieve your goals.

19. **Are you a leader?**
    A business owner is a leader, both to employees and to customers. Set an example for how the business should be operated, and be fair and consistent.

20. **Do you believe there's always a better way to get the job done?**
    Be dissatisfied with the status quo and find ways to improve it. You should be highly motivated by a desire to innovate and bring your own approach to doing things. Non-conformists are adept at spotting opportunities others have missed.

21. **Can you market yourself?**
    When you are in business, people will associate you with your product. Proper marketing is essential to your success.

22. **Do you have integrity?**
    Honesty in business and a willingness to do a good job will create lasting customers. Customers don't want to give their business to someone who is dishonest or unethical.

23. **Are you reliable?**
    You must come through for your customer – follow through on your promises.

24. **Are you a good organizer?**
    You will need organizational skills to run your own business. Paying attention to details, both in your product or service and in your management, can make the difference between success and failure.

25. **Are you a good communicator?**
    Good communication skills are needed to have good rapport with customers, to understand what your customers want, to communicate what you can deliver, and to be clear with your employees in your directions.

26. **Do you have high energy and good health?**
    Self-employment requires long work hours – you'll need stamina and lots of energy.

27. **Do you have a good support network?**
    Support from your family, friends and colleagues will make all the difference – you will need their understanding when your business has to take priority. A network of professionals from whom you can solicit advice, information and referrals will also help immensely.

Business Skills

Along with these personal qualities that will help lead to your success, you will also need skills to ensure your business is managed properly. Knowing about your field of business is important, but good management can make or break any business. Once you have your business idea, below are some of the skills you will put into practice as a business owner. You will need to:

Start-up

- Prepare your business plan
- Choose an appropriate facility and location
- Obtain necessary licences and permits
- Choose your form of organization and type of ownership
- Arrange your start-up financing
- Determine your initial inventory and equipment requirements
- Decide on pricing
- Set up your record-keeping systems
- Purchase insurance

Finances

- Arrange financing and lines of credit
- Maintain your books and financial records
- Manage your cash flow
- Report and pay taxes
- Plan and monitor your budget

Operations

- Buy supplies and stock
- Buy equipment and machinery
- Manage inventory
- Fill orders
- Ensure accounts receivables are paid in a timely manner
- Manage the facilities
- Pay suppliers

Personnel

- Hire and train employees
- Supervise employees
- Schedule shifts and employees to work them
- Evaluate employees' work
- Motivate your employees

Sales and Marketing

- Identify your customers
- Identify different customer needs
- Tailor your product or service to your customer's needs
- Develop new product and service ideas
- Determine appropriate prices
- Create and implement promotional strategies
- Develop promotional materials
- Secure advertising
- Contact customers and make sales

Introduction:
Finding and Developing Business Opportunities

There is a big difference between a business idea and a business opportunity. An idea is an opportunity only if it has a chance to succeed.

If you are looking for a new business opportunity, this guide is for you. It is a starting point to help you find or think of business ideas and evaluate them to decide if they are true business opportunities for you.

If you are thinking of starting a new business, this guide can help you identify business opportunities that suit you best. Or it can help you to determine the best direction for expanding into new areas of opportunity if you already own or manage a business.

Generating Ideas and Identifying Opportunities

Making a decision to be your own boss is the first step to being in business. Then you must identify your business opportunity. You may already have many business ideas and options you want to explore. The following three methods of generating ideas may also be helpful to you:

Assess Your Own Personal Skills and Strengths

- What interests or hobbies do you have that could be turned into a business opportunity? Your greatest business strength will come from doing something you enjoy and doing it well!

Research Business Publications

- Reviewing business magazines, periodicals and publications can plant many seeds for new business ideas. Franchise directories and distributor listings open doors to buying already established companies.

Be Aware of Market Trends and Product Needs

- Changing trends in demographics, lifestyles and buying patterns can provide opportunities to fill a need in your community. By adding value to existing products and services or identifying local needs that have been overlooked, you can develop successful business ventures.

Many people think that all you need to start a business is one good idea. Although that is sometimes the case, the best foundation for business success is several ideas. If your first idea does not test out well, you will be left with an alternative to try. When a business is based on only one idea, you have nothing to fall back on if it fails.

It is important to take extra care in exploring and testing your business ideas' chances of success, before you act. A poor idea can fail even when the best business skills are available to support it. And remember, it will always cost you less to examine an idea thoroughly in advance than to incur the expenses of a business failure.

Ongoing business success is often linked to the ability to produce ideas on a continuing basis. Successful businesses keep in touch with changing markets and needs, testing new ideas to determine their suitability and adopting those that prove viable. Through this process, a business takes advantage of real opportunities in the marketplace.

Business owners who watch for possible new products, services, procedures and processes keep their businesses healthy. Without growth and new ideas, a business has little chance of long-term success. Every business owner should make an effort to generate more and better ideas, thereby finding new business opportunities.

Identifying business opportunities requires an approach that combines analysis with creativity. Some business owners are skilled at carrying out this process on their own, while others assemble a "team"-people with different talents and skills who together can produce useful ideas and evaluate their potential. Whichever process you use, you may find it helpful to review one of the many books on creative thinking and brainstorming available at bookstores and libraries.

Preparing a Business Plan

The importance of business planning cannot be overstated.

Once you have identified an opportunity and selected it as the possible basis for a new business, it is essential to prepare a thorough business plan before you proceed any further. Your business plan is your road map to success. It is a written summary of what you hope to accomplish and how you intend to organize your resources to meet your goals. Properly and carefully prepared, it will also help you to measure your progress along the way. Your business plan will:

- help you to be realistic about your selected business opportunity;
- help you to identify your customers, your market, your pricing strategies and the competitive conditions under which you must operate to succeed;
- improve your ability to manage your business;
- outline your short-term and long-term business goals;
- identify the amount of financing or outside investment required; and
- make it easier for a lender or investor to assess you and your proposal.

There are numerous publications available to help you with your business planning. Many of these, such as the Government of British Columbia's publication *Business Planning and Financial Forecasting*, can be found at your local Chambers of Commerce, Government Agent (GA) offices, Western Economic Diversification Canada (WD), Community Futures Development Corporations and Women's Enterprise Society of B.C.

The Canada/B.C. Business Service Centre and the province's Government Agent offices are excellent sources of business-related information.

Market Research

An essential component of your business plan, market research plays an important role in determining the viability of your business idea. In essence, market research allows you to ask your customers if they will buy your product. When done properly, it will help you answer key questions such as:

- Will customers buy your product or service?
- Are they interested in the benefits your product or service offers?
- What features or elements are important to them? Why do they buy?
- Where do they look when deciding what to buy (newspapers, flyers, radio, TV, etc.)?
- How much will they buy?
- What prices are they willing to pay?

Your market research may show you that you need to shift your business concept to better meet the market needs of your potential customers. Be open and flexible in response to your market research, and pay close attention to what it tells you about your business idea.

Market research can be very simple and straightforward to do. You do not need to hire an outside company; in fact, the best market research is often the kind you do yourself. How you do the research will really depend on the type of business you want to start and the nature of your customers. You should examine three areas in your research:

- *The customers themselves.* They can be the final consumers or firms reselling your product to those customers.
- *Other firms providing similar products in similar markets.* The closer the match, the more valuable the information. Try to find markets similar to your own. Similar markets in other geographical areas can be a valuable source of information.
- *Statistics.* Industry averages for cost of goods, advertising, etc. can give you good guidelines on how others run their businesses. Information on population, age, income, and other such demographics should also be considered if it applies to your product or service. Important indicators in your potential market may include housing starts, business licence information and number of customers.

A list of possible questions to ask is provided in the Market Considerations section of Appendix A: Testing Business Ideas.

Tips for Surveys

- Market surveys should be brief.
- Avoid asking too many questions.
- Decide what information you must have, and only ask questions that focus on those areas. A good market survey can ask as few as 4-6 questions, and take less than 10 minutes (especially important if you are doing a telephone survey).
- If necessary, obtain assistance from a professional surveying company, which can help you develop your questions and interpret your data.

How to Use This Book

Under each chapter heading is a description of an area of business opportunity, followed by three sections:

- **Some Examples,** containing illustrations of the concept in action;
- **How To Do It,** presenting suggestions for trying the approach; and
- **Key Questions,** to help you direct your search for opportunities.

As you read, think of business ideas and opportunities you would like to explore and write them down so you won't forget them later. The ideas that come to you will be different from those that occur to others, because they are coloured by your own knowledge, interests, experiences and ambitions.

Some approaches for identifying business opportunities will be more useful to you than others. After you have read through the book, you will likely want to return to the ones that you find most helpful. Keep in mind that you do not need to read these pages in order; each approach stands alone, and you can flip back and forth as you wish.

While the types of approaches are not listed in a particular order, those that are similar are loosely grouped together. You will see that there is some overlap, but none of the business activities listed is exactly the same as any other.

As you work with this book, remember that it is only a guide. It will help lead you through the process, but it can't do the work for you. The ideas, judgments, information and decisions about potential ventures are yours alone.

Opportunities:
Find a Need and Create an Opportunity

Invent a New Product or Service

Inventing a product or service that meets an existing but unaddressed demand can create an excellent business opportunity.

Some Examples

1. A Vancouver Island inventor developed a compact, straight edge jig for use with circular saws, allowing users to easily make 90 degree cross cuts.
2. An entrepreneur saw the work hospital staff went through to prop patients up in their beds and invented the mechanical hospital bed.
3. Recognizing the opportunity arising from the growth in computers in businesses, a B.C. businessman developed the first company to provide computer cleaning services. The company is now franchised internationally.
4. A B.C. company developed technology focused on the detection and management of cardiac disease using computer-based software and hardware for cardiologists.
5. A B.C. inventor realized that it can be difficult to organize closets efficiently. He invented a closet organizer, now sold in most building supply stores.
6. A B.C. businessman invented a portable support handle to help seniors and people with hip or knee problems more easily hoist themselves out of their vehicles.

How To Do It

1. Concentrating on products and processes that are familiar to you, try to think of ideas for products, processes or services that would enhance or improve existing situations. ("What we need here is something that would . . .")
2. Observe products or services that could be made more effective to save time, effort or money.
3. Look for products and services that people are requesting, but do not exist.
4. Examine current products and services from various perspectives to see if they could be improved by adding, subtracting, changing or combining elements.
5. Read newspaper columns and magazine sections devoted to consumer topics, including people's ideas about products and services they would like to see offered or invented.
6. Use creative thinking to come up with an entirely new product or service.
7. Before proceeding with an invention, seek professional advice from a patents attorney (listed in the Yellow Pages of your telephone directory). Each city has a patents receiving office that will accept and deliver your patent to the federal patents office.

Key Questions

- *What services or products are needed but don't exist?*
- *What consumer needs could be met by a new invention?*
- *What familiar processes could I improve by inventing a new procedure, product or service?*
- *What ideas do I have that I could develop into inventions?*
- *Is there a market for my invention?*

Locate a Patent Opportunity

Sometimes a business opportunity can be found by locating a patent for a product or service that has commercial value but has never been produced, or has been produced but inadequately marketed. This could include patents that have expired and can be duplicated without a licence.

Some Examples

1. A farmer noticed a need for a mechanical rock-picker and wanted to manufacture and market such a product. He had a patents search done, and several rock-pickers were found. The farmer contacted the patents owners and found one person who had not begun to produce his rock-picker for commercial sale. He then purchased the patent rights and started production.
2. In 1944, the president of Haloid Corporation read a magazine article about a dry copier that had been invented in 1938 but never produced. He contacted the inventor and purchased the patent rights. Over the next several years, Haloid developed a line of dry office copiers based on that patent. In 1960, Haloid changed its name to Xerox Inc.
3. A young B.C. patents searcher looks for old patents for products that were ahead of their time and could still be marketable today.

How To Do It

1. Select an area of patents you wish to search. Patents are classified according to such categories as electrical, mechanical, chemical, seeds and plants, and style design.
2. To start your search:
   - Read the Patent Office Record at the local library and ask the librarian to help you conduct a patents search using library materials-professional searchers can save you time and effort with their knowledge, skills and modern tools;
   - Contact PATSCAN, University of British Columbia (see the Government of British Columbia's publication *Resource Guide for British Columbia Businesses: Information and Guidelines* for the necessary contact information);
   - Contact university industry liaison offices that specialize in university patents and technology transfer;
   - Contact a patents attorney or agent for professional assistance (consult your Yellow Pages under Patents Attorneys and Agents-Registered);
   - Locate a company or organization that deals with the design and marketing of patents and ask for information about rights to patented products or services they are currently developing for clients;
   - Advertise for inventors to contact you in reference to their patented products and services; and contact major companies that may own patents for products they are not currently producing.

Key Questions

- *What area of patents most interest me?*
- *What available patents have commercial value and could be used as the basis for a business opportunity?*
- *What potential customers have said they would buy the product I am considering developing?*

Assemble a Product

Assembling a product involves purchasing all of the parts for a product and putting them together to produce the finished item. It can also mean providing an assembly service for parts purchased by others.

Some Examples

1. A B.C. company assembles office furniture on contract for customers of office supply stores, at the customer's home or place of business.
2. A B.C. mechanic offers an assembly service for customers who purchase car kits.
3. A company formed by a recreation student brings in playground equipment kits and assembles large playground structures.

How To Do It

1. Look for products that are made of several parts and meet one or more of these conditions:
   - The assembly process is expensive for individuals, and there is a need for a central assembly service to reduce costs;
   - The product is assembled from parts made in different locations, and you are centrally located to become a convenient assembly point;
   - The product needs to be assembled into its finished form before being shipped from your area to other locations;
   - It is too expensive to ship the assembled product into your area as a completed unit, but the unassembled parts can be shipped less expensively and then be put together by you;
   - The product is sold unassembled to consumers, but the average person is not willing or able to assemble it; and
   - The assembled product is a bulky item that is difficult to transport, but the separate parts are easy to ship..
2. Analyze various products and assembly operations to find situations where you can save yourself or someone else time, effort or money by setting up your own assembly operation.
3. Identify and talk to potential customers for the assembled product to determine whether there is a need for the item.

Key Questions

- *What product could I assemble to save someone time, effort or money?*
- *Can I offer this product or service at a reasonable enough price that people would use it?*
- *Is there a market for the product? Have potential customers stated that they would buy the product?*

Become a Supplier

A supplier produces a product or service that is then used by someone else as part of a larger product or service. A supplier may provide a single specialized part or a large number of simple parts.

Sometimes there is an opportunity to become a secondary supplier, when the larger producer does not want to rely on a single source of supply for critical parts.

Some Examples

1. A B.C. firm supplies brake harnesses to truck manufacturing plants.
2. A Nelson company designs and manufactures electronic and computer components for the automotive, heavy truck and marine markets.
3. A B.C. woman provides an editing and proofreading service to help consultants in various industries produce professional project reports for their clients.
4. A B.C. software developer created a system to make appointments, do billing and manage patient case files for psychiatrists.
5. A B.C. high-tech company sells wireless cellular data modems, providing electronic commerce, Internet access and e-mail to mobile professionals, police, fire and emergency medical services, the transportation industry, and alarm monitoring companies.

How To Do It

1. Consider the components required to manufacture a product with which you are familiar. Determine how you can provide one or more of those components with improved quality, cost or reliability.
2. Contact purchasing agents who work for manufacturing companies. Ask them about their supply needs, to identify supplies that are difficult to obtain, too expensive or come from a single source that may be at risk.
3. Look for request-for-supply notices in newspapers or trade journals.
4. Read trade journals to discover supply problems for particular industries.
5. Have your name added to mailing lists of public purchasing agencies, the B.C. government Purchasing Commission or the Public Works and Government Services Canada office, which are required to advertise publicly for tenders on supplies.
6. Read publications that explain how to sell products and services to specialized organizations such as the military or governments.
7. Identify a product or service you can offer and analyze the range of producing organizations that could use it as part of their process.

Key Questions

- *What products or services could I supply?*
- *Could these products or services be used as a component by another producer or supplier?*
- *Could supplying my products or services to another company save the company time or money, improve their product or service, or help them realize other efficiencies?*
- *Is there a market for these products or services?*

Combine Components

Often, it is possible to combine two or more components to create something new. This works best when the new product is unique and more marketable than the separate items alone.

Items that can be combined include products, services, people, businesses and assets.

Some Examples

1. A suntanning parlour and beauty salon were joined together in the same facility to offer an expanded range of services. Business improved for both.
2. Sales of cranberry juice were dramatically increased by combining it with other fruit juices to create a new range of drinks.
3. Several trades people combined their services to offer a comprehensive home maintenance and repair service.
4. A computer retailer joined with an educational company to provide full service sales and training on equipment.
5. A web designer, graphics designer and writer/editor joined forces to offer companies full web site development services.

How To Do It

1. Start with a business, idea or product that interests you and ask what could be combined with it to create something unique.
2. Look for consumer groups with needs that could be served by combining two or more existing products or services.
3. Experiment with various combinations to see what would fit together. Compare lists of business types (such as the index in the Yellow Pages) and imagine the results of different combinations among the topics listed.
4. Talk with potential customers to find out whether there is a market for the combination of products or services you want to offer.

Key Questions

- *What products, services or other items could be combined to create a new opportunity?*
- *What combination of products or services would provide added value or convenience to customers?*
- *What suitable combinations could I handle?*
- *How many potential customers have indicated that there is a need for the end product I am considering?*

Find Uses for Waste Materials

Sometimes uses can be found for waste materials-by-products, left-over materials or other resources discarded by individuals or companies. These materials can often be obtained free or at a very low cost and then processed to produce useful goods.

Some Examples

1. A company takes pieces of lumber that are too short to be usable and finger-joints them together to create longer pieces. These are then sold for door frames and trim.
2. An American company buys older mainframe computers from corporations, salvages the precious metals and alloys and recycles them for other products.
3. A company offering insulation upgrades in older homes blows shredded paper materials into walls and ceilings to improve insulation.
4. A B.C. entrepreneur contacted a chicken processing plant that discarded large volumes of chicken feet and asked to take them away. He froze the feet, then sold and shipped them to China where they were cooked, combined with sauces, packaged and exported back to B.C. as a dim sum delicacy.
5. A diesel generating plant in northern B.C. uses its exhaust to heat an adjacent greenhouse so that vegetables may be grown in the winter to meet local market demand.

How To Do It

1. To find waste materials that can be reused:
   - Take inventory of all products discarded from your existing business or other businesses;
   - Identify obsolete products which, although no longer used by a business or industry, remain in storage; and
   - Observe materials collected by recycling companies, local waste product dumps, demolition specialists and junk pick-up services.
2. Read trade publications to identify by-products that are causing problems for processing and manufacturing plants.
3. Read technology magazines to discover new processes that use waste products as a source of materials.
4. Analyze the value of waste products to other producers. Consider whether these waste products may be used in their original form, as parts or as material in a recycled form.
5. Identify or develop new uses for existing materials to create a more valuable end product.
6. Study ways in which waste products are recycled in other parts of the world, and develop similar systems in your area.
7. Talk to potential customers to determine whether they would buy your product.

Key Questions

- *What waste materials are available to me?*
- *Which of these waste materials could be used to produce something useful and saleable?*
- *What waste products are costly or difficult for an industry to dispose of, which would therefore be available to me at little cost?*
- *Is there a market for the end product I am considering? Have potential customers said they would buy it?*

Target a Small Part of a Large Market

Sometimes it is possible to enter a large-volume market, with the goal of servicing just a small piece of it. This type of venture can succeed only when the market is large enough that a small portion of it will be profitable.

Some Examples

1. The fast-food industry is large and still growing rapidly. A woman opened a small fish restaurant in a suburban neighbourhood and succeeded despite major fast-food chains operating in the same area.
2. A small brewery opened with the intention of serving only a small percentage of the market. It became popular in its local market and continues to expand into new market areas.
3. Several B.C. software companies have realized profits by serving a small part of the computer market. They focus on providing limited segments of the market with specialized products.

How To Do It

1. Identify large-volume markets in B.C. by examining economic reports, trade association figures and marketing studies.
2. Select a market in which you feel you could capture a small percentage.
3. Develop a plan that will allow you to compete effectively. Seek to gain an advantage through your location, type of facility, personal reputation, level of service, selection of goods, price, business concept or advertising.
4. Avoid highly competitive markets in which large organizations are battling for each single percentage point.
5. Talk with potential customers to find out whether they would buy the product or service you want to provide.

Key Questions

- *What high-volume markets exist in B.C.?*
- *Which would be the most suitable for a small operator to enter?*
- *What product or service could I offer to gain a small percentage of a large-volume market?*
- *Does my product or service have a unique element to capture a small percentage of the market?*
- *What potential customers have said they would buy the product or service I want to provide?*

Pool Small Groups of Consumers with Specialized Needs

Rather than offering products or services to large groups of customers, many successful businesses can be built by meeting the unique needs of smaller groups. While your customers are fewer, they are often prepared to pay more for the specialized offerings. Unique needs often arise from specific lifestyles or demographics.

Some Examples

1. An entrepreneur in a remote northern B.C. location recognized that many of the local restaurants had a problem with bread supply and delivery. By making 2-3 trips per week to the closest major centre, he was able to purchase from different bread suppliers, with local restaurants collectively sharing the delivery costs.
2. A small group of retail store owners had little access to the specialized training services required for their employees. They found it difficult-and expensive-to send their employees out of town. By pooling the owners' varied retailing skills and experience, they were able to form a consulting company that delivered the necessary training.
3. A Canadian company launched a web-based buying group that offers member businesses discounts on name-brand office supplies, computer equipment and technical repairs and maintenance, as well as a "buying exchange" where members post purchase orders and desired price for suppliers to bid on.
4. A group of aboriginal artisans joined to form a retail marketing co-operative, allowing them to share the necessary work and expenses that previously had prohibited them from starting their individual stores.

How To Do It

1. Identify some of the difficulties people encounter in starting or doing business in your community, as well as services or products they need but cannot access. Explore whether any of these provide business opportunities for you.
2. Talk to your local Chamber of Commerce to determine what services or products are lacking in your area. Find out why. Are there obstacles you could overcome that would allow these businesses to start up locally?
3. Based on your own experiences, identify a business where you have encountered difficulty making local purchases or accessing services locally. Look around to find other individuals who have the same specialized needs. Develop a business co-operative that meets these needs.
4. Look for other entrepreneurs trying to start business ventures but intimidated by the time and money involved. See if there are ways you could combine skills or products to work together and share the responsibility of a business.

Key Questions

- *What have I tried to purchase locally that has been unavailable?*
- *What service or product could I provide to a particular industry to enhance its efficiency or save time and effort?*
- *For specialized products, will there be enough of a demand on a regular basis to support a business?*
- *Have I considered taking a co-operative approach to starting a business? Would this work for me?*

Create a Market Demand

Sometimes you can create a market demand for a product or service by magnifying the popularity and image of a special person, group, enterprise, event or idea.

Some Examples

1. When B.C.'s Terry Fox ran his Marathon of Hope, media coverage of this special person created a special type of market demand. People all across the country made contributions to the Canadian Cancer Society and purchased related products in support of cancer research.
2. The City of Kelowna has offered $1 million for anyone who captures the legendary Lake Okanagan creature, Ogopogo. Many related gift items have been developed and Ogopogo is also used in tourist promotion for the area.
3. A group of bicycle shops in a B.C. community promote the Bike to Work Week and offer bike commuters discounts on products, maintenance and repairs.

How To Do It

1. Look for an event, person, group, enterprise or idea that has the potential to be magnified through careful publicity or promotion. Consider whether the object to be magnified has the ability to capture people's imagination. Either focus on an existing object or create a situation yourself as the basis for magnification.

   Opportunities could be provided by:
   - Athletes, entertainers, politicians, business speakers;
   - Special features of an area such as mountains, rivers or industries;
   - Newsworthy events;
   - Performances of special feats by extraordinary people; or
   - Imaginary people and things.
2. Devise a promotional and publicity strategy for the object you have chosen, and think of off-shoot products and services you could market.
3. Investigate and get professional advice on contracts, patents and licences.
4. Contact everyone who would be involved in your planned promotion and make a proposal to see if they're interested and have ideas.
5. In the case of an event, begin to organize it.
6. For an object being promoted by someone else, explore related products and services you could provide as part of the overall promotional plan.

Key Questions

- *Who or what could be magnified to become the basis of an income-generating enterprise?*
- *Could I provide the necessary publicity and promotion?*
- *Could I create a demand for the products or services I have in mind? How?*
- *What product or service could be sold in relation to a person, event or object that is already prominent and popular?*

Find People with Under-Utilized Skills

Many people in our society have skills, knowledge, talents and energy that are not being used to their maximum potential.

These people may be retired, unemployed, attending school or university, or employed in an occupation that does not use their best skills and aptitudes. They may be available for full-time or part-time work, and their skills could be used to enhance existing business activities or as the basis for new opportunities.

Some Examples

1. A businesswoman started a word processing and computer data entry service, distributing piecework to people who had computers in their homes.
2. Three unemployed tradesmen pooled their resources, bought an older run-down home and renovated it for resale.
3. An unemployed accountant and teacher designed a computer-based training package to teach accounting to high school students. A retired marketing manager joined them to promote the product across North America.
4. A co-operative comprised of people with disabilities provides gardening and landscaping to residents and businesses.

How To Do It

1. To identify people who have valuable skills talents or knowledge, but aren't working regularly:
   - Check with job placement agencies;
   - Ask training institutions for names of graduates who are not currently employed; and
   - Check with student employment centres on university and college campuses.
2. Locate employees with specialized training who are on temporary leave from their jobs for such reasons as maternity leave, academic studies or personal renewal. They may be willing to join special project teams on a short-term or part-time basis.
3. Attend meetings of unemployed people with skills in specialized occupations such as engineering or teaching, to identify skills that could be used in new business opportunities.
4. Analyze the skills of people you know who are currently out of work, seeking new opportunities, permanently or temporarily handicapped or disabled, or limited to part-time participation in the work force by personal circumstances. Think of services or products that could be created using their individual or group talents.
5. Investigate a project to determine whether it could be handled by the under-used talent available to you.
6. Conduct market research to find out if the service or product you are considering is saleable.

Key Questions

- *Who do I know with under-used skills, knowledge or talents?*
- *Where can I find people who have under-used skills?*
- *How could I work with them to develop a new business opportunity?*
- *What kinds of business opportunities could I explore with people whose talents are currently not being used?*
- *What customers exist for the product or service I am considering?*

Start a Co-operative

Co-operatives are found in business and community sectors across B.C., including in the forestry, fisheries, childcare, housing, entertainment, tourism, transportation, agriculture and high-tech industries.

Legally, co-operatives operate much like other businesses, but they are owned and operated equally by their members, who are also their shareholders. Each member of a co-op has one vote to ensure every member has an equal opportunity to participate in the decision-making process.

Co-ops can provide a creative alternative to traditional businesses. By working together, co-operative members can pool resources for start-up costs and achieve better purchasing power, more dynamic joint marketing and less individual risk.

Some Examples

1. A hardwood marketing co-operative for primary and value-added hardwood producers throughout B.C. has enabled members to develop a niche hardwood market.
2. A co-op offering office and business support services to non-profit societies and other community organizations affords economies of scale that enable the co-op to provide services such as word processing, desktop design and printing at costs lower than a society would pay a private company.
3. An B.C. organic farm co-operative is made up of citizens committed to the principles of organic farming and "buying locally." Farmers hired by the co-op ensure members and other local consumers have access to high quality organic produce.
4. A Vancouver Island co-operative joins eco-tourism businesses offering kayaking, hiking and other adventure tourism activities. Membership in the co-operative enables the businesses to pool resources and marketing.
5. A group of GIS mapping students formed a co-op that allowed them to bid on larger contracts and gain valuable work experience.

How To Do It

1. Identify the type of business you'd like to start up.
2. Determine whether you could add value to or reduce the cost of the product or service by joining with other entrepreneurs in the same or a related field to form a co-operative.
3. Talk to other entrepreneurs who could be potential members of the co-operative to see if they are interested in forming a co-operatively structured venture.
4. Determine if a market exists for your co-operatively offered products or services.

Key Questions

- *Can I add value to my products or services by offering them in conjunction with other entrepreneurs?*
- *Are there other entrepreneurs who recognize the opportunity presented by offering the products or services in a co-operative arrangement?*
- *Can the co-operative structure achieve better economies of scale, or add value to the products or services, thereby passing along benefits to the consumer?*
- *Would taking a co-operative approach to starting a business work for me?*

Conduct Market Research for Other Businesses

Companies may lack the time, resources or expertise to do the necessary research in starting or building their business. By becoming a specialist in market research, as your customers' businesses grow, so does yours.

Some Examples

1. Recognizing an ongoing need for companies to continually source out new suppliers, a business published a "Catalogue of Mail Order Catalogues." Each mail order company in the catalogue paid an advertising fee as well as a small royalty each time a catalogue was ordered.
2. A computer company began specializing in the research of business ideas through the Internet and downloads the information directly to its customers' computers.
3. Two recent graduates started a business providing guidance on successfully marketing to youth, an increasingly important consumer group.
4. Many businesses consider exporting but are intimidated by the expense and their lack of international "know-how." A Victoria-based woman, who had travelled extensively in Southeast Asia, built a successful research business by asking several companies that wanted ideas investigated to share her fees and travel expenses.

How To Do It

1. Identify small business owners who are in an expansion mode and require research on other business opportunities. Approach them regarding the future opportunities and work with them to research the best plans of action.
2. Contact your local Chamber of Commerce to identify potential businesses starting in the area. Contact them directly to offer research assistance on local area needs.
3. Examine your market knowledge from past professional or personal experiences. Identify businesses that would benefit from this knowledge and are willing to pay for your expertise.
4. Become a specialist in conducting research on targeted groups of consumers based on age, gender, income and/or lifestyle. Publish this information and make it available for sale.
5. Assess the industries or sectors with research requirements (e.g., institutions, project oriented companies). Determine how you might best meet their research needs-Internet, personal interview, survey, etc. Approach specific companies or industry associations with your ideas.

Key Questions

- *Where do I see the greatest market changes in the next 5-10 years?*
- *What groups of consumers or businesses will be impacted by these changes?*
- *What experience (personal or professional) do I currently have about other markets that would be helpful to businesses in my community?*
- *Can I identify individuals or businesses who have a need for research and would be willing to pay for this service?*

Opportunities:
Build on an Existing Business or Consumer Need

Manufacture and Market under Licence

This means buying the rights to manufacture and/or sell a product. Such a licence can give you exclusive rights for a particular geographic area and/or a specific market. The licence is usually granted for a defined period of time and extending it may depend on your performance.

Alternatively, someone in another area may buy a licence to manufacture and/or sell a product to which you own the rights.

Some Examples

1. The Workhorse for woodworkers was invented in B.C. and the licence to manufacture and sell it was sold to Black and Decker.
2. Publishing is a form of manufacturing under licence. Authors create books, sell the rights to publishers and receive royalties.
3. A B.C. entrepreneur contacted an American manufacturer of toy soldiers and obtained the rights to manufacture the toys in Canada.

How To Do It

1. Decide what type of manufacturing you would like to do.
2. Locate a product to manufacture by:
   - Reading publications relating to new products in your field;
   - Looking for marketable products being manufactured in other countries;
   - Approaching companies that have rights to products they are not currently manufacturing;
   - Attending trade shows;
   - Contacting venture capital organizations;
   - Reading classified advertisements listed under Business Opportunities in newspapers and magazines; and
   - Advertising for inventors to submit their ideas to you.
3. Identify and talk with potential customers to determine their need for the product.
4. If you have a product and want to licence someone in another area to produce it, you can find a manufacturer by:
   - Contacting your local Chamber of Commerce;
   - Contacting manufacturing associations in Canada and other countries;
   - Advertising under Business Opportunities in the classified sections of newspapers and magazines;
   - Identifying manufacturers of similar products or products that would complement yours if packaged together;
   - Displaying your products at trade shows;
   - Contacting venture capital organizations.
5. Seek professional financial and legal advice.

Key Questions

- *What product or service is available elsewhere but not in my market area?*
- *For what product or service could I purchase the manufacturing and/or marketing rights?*
- *For what product or service could I sell the manufacturing and/or marketing rights?*
- *Is there a market for the product?*

Market Someone Else's Product

If you are more interested in marketing than production, you may choose to find a good product made by someone else and assume full responsibility for all aspects of marketing it. There is also potential for you to build on this idea by offering a range of marketing services to a large number of clients.

Some Examples

1. A B.C. sales agent located an innovative game developed by a local inventor, and became its marketing agent. She managed the marketing process-packaging, advertising and distribution.
2. A marketing consultant markets the services of other consultants. He represents them, promotes their talents, schedules their appearances and negotiates their contracts.
3. Independent manufacturers' agents often market similar but non-competing products for many manufacturers. For example, one agent sells sporting goods made by different producers.
4. A Vancouver entrepreneur developed an on-line knowledge exchange auction, providing an arena for people to exchange their specialized expertise, ideas and discoveries where supply and demand determine the value of the knowledge offered and needed.
5. A B.C. company markets an imported shopping cart, which doubles the capacity of a traditional grocery store hand-basket.

How To Do It

1. Look for products that have not been marketed at all (hard to find) or that have been marketed poorly.
2. Look for new businesses that need marketing services but have not established a marketing department.
3. Look for existing manufacturers that cannot afford to directly market to rural areas or specialized niche markets.
4. Ask business consultants and advisors about products they know of that need better marketing.
5. Examine classified advertising sections and mail order advertisements to locate individuals or small companies selling products on a small scale. As you search, consider which products offer the potential for larger volume sales. Look for good products using inadequate advertising.
6. Contact marketing or advertising agencies. They can sometimes provide leads for products they were unable to take on, for such reasons as a conflict of interest with another account or a full client list.
7. Locate inventors' clubs, attend their meetings and read their newsletters.
8. Contact trade or industrial association management personnel, asking if they know of any good products or services that need marketing.

Key Questions

- *Where can I find a good product requiring marketing?*
- *Which products have a potential for increased sales if marketing is improved? Is there a strong market for the product?*
- *What marketing skills and services can I offer?*

Become an Agent

Becoming an agent involves contracting to sell products or services for a fee or commission. The contract may be with either a producer or distributor.

Some Examples

1. An Okanagan businesswoman became the Okanagan-Cariboo sales agent for a large Vancouver printing firm that produces brochures and postcards.
2. A sales agent in northern B.C. contracted with several distribution companies to be their representative in that area, selling novelties, records, magazines, electronic equipment and cassette tapes.
3. An agent in B.C. is contracted by a computer company to sell its equipment to computer retailers in the province.

How To Do It

1. Identify a type of product or service you believe you can sell directly to customers.
2. Find producers or distributors who need someone to handle the direct sales of their product or service.
3. Read classified advertisements listed under Business Opportunities, and check the employment section for Sales Agents Wanted.
4. Join sales and marketing groups, attend their meetings and read their newsletters.
5. Contact manufacturers, read trade publications and attend trade shows to find items not being sold in your area.

Key Questions

- *For what type of product or service could I act as a sales agent?*
- *What manufacturers can I find who need the services of a sales agent?*
- *Is there a market for the products or services I would like to represent?*

Become a Distributor

When you become a distributor, you buy a producer's products or services and then resell them to retail outlets, manufacturers or other businesses. In some cases, you may sell the products directly to consumers.

Some Examples

1. A B.C. woman who owns a direct mail distribution company buys crafts from Lower Mainland artists and crafts people, and then advertises them for resale.
2. A B.C. training company, which contracts to conduct management workshops for various companies, hires management consultants to act as workshop directors. The training company buys the consultants' services and resells them at a higher price.
3. A trucking contractor buys large quantities of topsoil and resells it by the truckload to garden supply shops.
4. A computer supply distribution company improved service and gained new customers by establishing a web site that takes orders from businesses, then passes the orders along to the manufacturers for delivery within 24 hours. With no inventory to carry and no double shipping costs, the company was able to cut its prices by 20%.

How To Do It

1. Analyze your current purchasing volumes and discounts to identify situations where you could take advantage of your buying power to act as a distributor.
2. Find producers or manufacturers who would give you exclusive rights to distribute their products in return for prepayment of orders.
3. Find a producer who only wants to handle large orders, but whose products require distribution in small-order lots. This is an opportunity for you to become a distributor and relieve the producer of problems relating to small orders.
4. Find a group of retailers or customers who have to wait for delivery of products from a manufacturer because of distance or production time. You may be able to become a distributor by carrying stock on hand and offering immediate delivery.
5. Look for advertisements under Distributors Wanted in trade magazines, and for advertisements under Business Opportunities in the classified sections of newspapers.
6. Contact manufacturers, read trade publications and attend trade shows to find items without local distribution networks.

Key Questions

- *What producers can I find that require a distributor for a product or service?*
- *What product or service could I buy, stock and wholesale in my region?*
- *Could I distribute the product profitably?*
- *What potential retailers or customers have indicated a need for the product I am thinking of distributing?*

Become an Import Distributor or Agent

An import distributor or agent brings products and services from another country into Canada for distribution and resale. A wide variety of products and services are available around the world, and many producers are looking for distributors or agents in Canada to expand the market for their goods and services.

An import distributor buys products for resale, while an import agent sells products on a commission basis.

Some Examples

1. A local businessman could not find high-quality hair-pieces in Canada, but located a supply in Germany. He now imports them, along with waterproof tape, for the Canadian market.
2. A businesswoman had a health problem and could not find a needed medical apparatus of sufficient quality in Canada. She searched abroad, found a suitable model in Europe and is now the Canadian importer for this equipment.
3. Each year, a company established by young B.C. entrepreneurs imports Christmas cards in bulk from the U.S. The cards are then packaged in 15-card boxes and resold. This is an example of importing, packaging and breaking bulk.
4. A B.C. company imports hand-crafted ostrich and buffalo leather products from Africa, selling them to retailers and on-line.

How To Do It

1. Read overseas trade magazines.
2. Identify marketable items made in other countries and not currently available in Canada. Foreign consulates in Canada can be an excellent source of this information.
3. Contact trade associations and consulates in other countries to ask for information on possible import products.
4. Identify a client group with special needs that can be met only by products from another country.
5. Look for new and innovative items made in other countries by travelling to those countries or reading advertisements in their magazines.
6. Join import/export associations, read their newsletters and attend their meetings.
7. Look for products that have been successfully imported to other countries but have not been imported to Canada.
8. Ask friends who travel frequently about products they may have seen that could be successful in the Canadian market.
9. Ask potential customers whether they would buy the product you want to import.

Key Questions

- *What products or services can I import to sell in Canada?*
- *What needs in the Canadian marketplace could be met by imported products or services?*
- *Taking into consideration currency exchange rates and shipping costs, is it profitable to import these products or services?*
- *Is there a Canadian market for the product or service I am thinking of importing?*

Become an Export Distributor or Agent

An export distributor promotes and ships Canadian-made products and services to other countries. Pacific Rim countries, the United States and the European Economic Union present particularly good export distribution opportunities for B.C.

Some Examples

1. A Canadian couple vacationing in New Zealand noticed that motorcycles there had very few accessories. They checked and discovered that there was a lack of supply. When they returned to Canada, they immediately contacted manufacturers of accessories and began to export these parts to New Zealand.
2. A B.C. company makes skid plates for mufflers and exports them to a truck manufacturing company in the United States.
3. A B.C. firm manufactures mobile barbecue carts, which are similar to mobile popcorn stands, and exports them to Southeast Asia.

How To Do It

1. Contact local producers who may want to sell their products in other countries.
2. Identify a country to which you would like to export, then contact local producers of goods for the rights to distribute them in that country. Many provincial and federal departments may be able to provide assistance with this.
3. Read provincial and federal government publications about export opportunities.
4. Examine foreign countries to study their needs for types of products made in Canada. The public library may be of help with this.
5. Contact Canadian foreign trade consuls to identify needs that require service in other countries.
6. Read books on how to export-these can be readily found in libraries and bookstores.

Key Questions

- *What local products and services could I export to other countries?*
- *To which countries would I like to export local products?*
- *Is it profitable to export these products or services, considering currency exchange rates and shipping costs?*
- *Is there a market for the product or service I want to export?*

Replace Imports

Import replacement means finding a product or service currently being imported into Canada from another country, then replacing the imported item by producing a similar product locally.

Some Examples

1. A line of farming irrigation equipment was imported from Europe. A B.C. firm began making similar equipment as an import replacement in the local market.
2. Propellers for ultra-light planes were imported from the U.S. A B.C. company began manufacturing the propellers to replace the imported parts.
3. A Victoria restaurant that purchased primarily imported produce initiated a partnership with local farmers, and now offers mostly local produce in its menu items.
4. A Canadian company supplies the soft drink and food processing industries with an alternative to imported cane sugar using high fructose corn syrup.

How To Do It

1. Identify a product or service imported into Canada that you could produce locally. To find such a product or service:
   - Examine import publications and importers' catalogues;
   - Contact purchasing agents to identify goods that are purchased by local industries; and
   - Examine the products around you to find out where they are made.
2. Determine your areas of expertise, and then analyze imported products related to your talents to find out which could be produced locally.
3. Find out which imported products within your fields of expertise are too expensive because of shipping costs or tariffs. Determine whether you could produce replacement goods locally, and lower the cost to customers.
4. Identify and talk to potential customers for the product or service you are considering, to determine whether there is a market for a locally produced item. Check this out thoroughly, as potential customers may continue to buy the imported item if the local item differs in some way-for example, in quality, colour or construction material.

Key Questions

- *What imported product could I replace by producing it locally?*
- *Have potential customers said they would buy a locally made product?*
- *Have I thoroughly researched the product or service I am considering, to make sure it equals or surpasses the standard set by the imported article?*
- *Will producing the product or service locally result in cost-efficiencies for the customer?*
- *How will exchange rates and labour practices related to the imported product affect my profitability?*

Buy an Existing Business

Sometimes, it is possible to buy an existing business that is suitable to your talents or needs rather than establishing a new one. Buying an existing business is a widely used method of getting into business.

You may choose to buy a business that is not doing well, believing that you can use your knowledge and talents to make it succeed. Or you may buy a business that is already successful, especially if it is available at a good price due to the current owner's desire to retire or sell for other reasons.

In some cases, you may wish to buy a business and resell it quickly-your success here would depend on your ability to identify businesses that can be turned around quickly and resold at a profit.

Some Examples

1. A B.C. businesswoman purchased a successful business contracted to test the hearing of employees working in noisy environments. The original owner wanted to become less active and free up capital for other uses.
2. A company providing training services to on-line investors was in difficulty due to poor management and marketing. The owner approached a partner with the necessary skills who bought half the company. It is now highly profitable and expanding into many new products, services and markets.
3. A businessman loaned money to owners of a clothing store, and later found out that the company was about to fail. He met with the firm's bank and made financial arrangements to buy the business for the amount of the original loan. Through good management, he saved the business.
4. A hotel was in receivership and a local businessman agreed to operate it for the receivers. When the hotel began to recover, the creditors agreed to let the businessman buy it with no down payment. He now owns a successful hotel.

How To Do It

1. As a first step, learn about the process by seeking out books that explain how to buy a business.
2. To find businesses available for purchase:
   - Check newspapers under Business Opportunities or similar headings;
   - real estate agents;
   - Read ads in trade publications;
   - Visit businesses that interest you, to observe their operations.
3. Check out businesses you would like to operate, looking for owners who want to retire or sell for other reasons such as boredom, partnership disagreements, divorce, or poor health.
4. Look for businesses that are not doing well, and which your talents, knowledge and energy could make successful.
5. Identify and talk with potential customers to determine their need for your product.
6. Before considering purchasing a business, talk to your banker, accountant and lawyer.

Key Questions

- *What types of businesses am I interested in and would enjoy operating?*
- *What types of businesses could I run, based on my previous experience?*
- *What existing businesses are for sale that I could buy and operate?*
- *What funds are available to me for the purchase of a business?*
- *Why is the business for sale and what is the business's reputation?*
- *Is client loyalty to the owner personally or to the business?*

Buy a Franchise

Buying a franchise involves buying the rights and support systems to own and operate a business that has been designed by someone else. It is a common way of establishing a business.

Usually, franchise networks are based on a successful business established in one original location. Franchise outlets may then be established in other locations. Each location uses the same company name, operating system, purchasing procedures and management system, and benefits from general advertising. Each franchise outlet receives varying degrees and types of franchise support.

Some Examples

1. A B.C. businessman purchased a franchised mobile furniture restoration business which uses exclusive, patented, environmentally conscious techniques that allow work on-site in less time than conventional refinishing and repair.
2. Many fast-food outlets such as McDonalds(and Subway(are franchise operations.
3. Other common types of businesses that may be franchised are real estate agencies, hair salons, restaurants, building supply outlets, dry cleaners, picture-framing shops, lawn maintenance services, fast printing services, quick photo processing outlets, automobile repair and parts shops, sports equipment stores, computer stores, video rental outlets, home security firms and machine vending services.

How To Do It

1. Find and read publications relating to franchising to learn about its advantages and disadvantages. Good sources of information include local libraries, your local Chamber of Commerce and the Government of British Columbia publication *Resource Guide for British Columbia Businesses: Information and Guidelines.*
2. Identify types of franchise operations you would like to explore by:
   - Reading newspaper and magazine advertisements;
   - Reading franchise trade journals;
   - Joining franchise trade associations; and
   - Noticing franchised businesses in other locations that might succeed in your area.
3. Work at a franchise outlet of a business that interests you.
4. Attend franchise trade shows.
5. When you have selected the type of franchise that most interests you, identify and talk to potential customers to determine their need for your products or services.
6. Talk to the owners of a few existing franchises who can tell you what it is really like being a part of the franchise in which you are interested.

Key Questions

- *What kind of business would I like to own as a franchise? Is it a business I would enjoy?*
- *Is there a market for the product or service I would be offering?*
- *What is the reputation of the franchise?*
- *How much will the franchise cost and what are the monthly royalties?*
- *Do I have access to the necessary funds?*
- *Why is the franchise outlet for sale?*
- *Will my previous business experience support the type of franchise operation I prefer?*

Recycle an Existing Product

When you recycle an existing product, you take a product that has come to the end of its useful condition and either rebuild it to a "like new" state or remanufacture it into another product.

Some Examples

1. A company collects used computer printer cartridges, re-inks them and sells them as reconditioned units.
2. A B.C. man reconditions non-working or unwanted household appliances and then resells them.
3. A company takes motors out of junked cars and remanufactures them into inboard marine motors.
4. A B.C. firm takes the excess wood oil from mills and recycles it into an environmentally friendly furniture oil.
5. A B.C. clothing designer and second-hand clothing store owner adds new elements to used clothing and sells these renewed fashions at a higher price.

How To Do It

1. Find a product that:
   - Wears out with use over time;
   - Can be rebuilt by adding new parts or reconditioning old parts to original standards; and
   - Is expensive enough when new to warrant a rebuild, therefore saving customers money.
2. Find a product with components that can be used to make a different product. To identify a product with recyclable parts, look for one that:
   - Wears out with use over time;
   - Is not worth rebuilding to a "like new" condition;
   - Has one or more components that are still in usable condition; and
   - Can become an inexpensive source of parts or materials that would cost more if purchased new.
3. Find out if the used products or parts can be obtained easily, economically and reliably.
4. Develop a procedure to disassemble, rebuild and reassemble the components.
5. Determine whether there is a market for the reconditioned or newly created products, by talking with potential customers.

Key Questions

- *What used product could be rebuilt or turned into a new product?*
- *Can the rebuilt or remanufactured product be sold at a lower cost, saving consumers money?*
- *Is there a market for the reconditioned or new item?*
- *Can the recycling procedure be carried out practically and efficiently?*

Add Value to Existing Products

You add value when you buy an existing product or service and then add materials, processing or services to create a more valuable end product. You then resell the product in its changed form.

Value may be added by:

- Putting the product through an additional process;
- Combining the product with other products;
- Offering the products as part of a larger package of services;
- Removing something to change the use of the product; and
- Increasing levels of service.

Some Examples

1. A student who operated a home painting business expanded the operation by buying unfinished furniture, then painting and reselling it.
2. A B.C. businessman bought irrigation pipes, rolled them into oval shapes, screwed fittings onto them and marketed them as sailboat masts.
3. A company in B.C. buys wood lattices, putting them through an assembly machine to create assembled sections of lattice fencing.
4. A B.C. co-operative provides commercial kitchen facilities to small producers of value-added agricultural and food products. This allows farmers to turn their crops into specialty jams, chutneys, jerky, canned goods and other products formerly prepared by secondary producers, thereby increasing their profit margins.

How To Do It

1. Find an existing product or service to use as a base, then think of an additional process, material or service that could be added to create a new product. For example, a product or service may be more successful if an additional element such as packaging or distribution is added.
2. Identify a process or service that you could provide, then look for types of existing products or services that could be used as a base for your desired operation. For example, if you can provide a packaging service, look for products that would become more valuable if packaged.
3. Find an existing product that could be changed into a different or improved product by adding or subtracting one or more elements. If additional elements are required, locate a source for these and develop a method of adding them. If elements must be subtracted, find a workable way of carrying out that operation.
4. Find a client group with needs that are not being met by existing products and services. Make the required changes to existing goods to adapt them.
5. Find a product that does not work well, or is not well accepted by a client group because of its inadequacies. Then improve it by adding or altering elements.
6. Talk with potential customers to find out whether there is a market for the product or service you are considering.

Key Questions

- *What can I add to a product or service I am aware of to make it more marketable before reselling it?*
- *What products or services can I think of that would benefit by adding, subtracting or altering elements? Is this a product or service I can provide?*
- *What potential customers have said they would purchase the product or service I want to provide?*

Substitute Materials in Existing Products

An existing product can sometimes be improved by changing the type of material it is made of. This can make the product lighter, stronger, more flexible, cheaper to produce or more environmentally sound.

Some Examples

1. A B.C. company substituted plastic for metal in fishing lures. The lures are now less expensive to produce, lighter in weight and easier to keep shiny.
2. A plastics manufacturer in Vancouver makes plastic buckets for grain elevators. These are an improvement over the metal buckets previously used, because they are stronger, do not dent and do not corrode.
3. By changing their packaging from wood crates to corrugated cardboard boxes, a wholesale gift company was able to reduce its shipping costs due to the lighter weight.
4. A B.C. company makes "lumber" from recycled plastics, producing maintenance-free synthetic lumber more durable than traditional lumber.

How To Do It

1. Examine products to see where they might be improved through the use of substitute materials.
2. Consider any material that you have in good supply, analyzing its characteristics to determine which products use similar materials and might benefit from a substitution.
3. Find production processes that are inefficient due to the materials currently used. Find ways to improve the process by replacing the inadequate materials. For example, materials may be inadequate if they are too expensive, too difficult to work with, unsafe, in short supply or consumed in the process. Look for substitute materials that are cheaper, easier to work with, safer, in greater supply or reusable, or that improve quality.
4. Talk to potential customers to determine whether they would purchase the improved item you want to provide.

Key Questions

- *What products can I think of that could be improved by substituting one or more materials?*
- *What materials do I have that could be substituted for an inferior material currently used in a product?*
- *What products would result in improved costs for the consumer if materials were substituted?*
- *What customers have stated they would purchase the improved product?*

Package or Unpackage Existing Products

Opportunities exist to package, repackage or unpackage existing products. Commodities sold in bulk may be packaged (called "breaking bulk"), while items traditionally sold in packages may be offered in bulk. Items already supplied in a packaged form may be repackaged to make them more attractive, more convenient, reusable, easier to use, easier to preserve or biodegradable.

Some Examples

1. A produce distributor buys strawberries in bulk, sorts them into smaller amounts and packages them in attractive boxes for resale.
2. A natural beauty products company sells all of its products in bulk-products that are traditionally packaged throughout most of the industry.
3. A company buys quantities of steak and lobster tails, packages them together as steak and lobster dinners, and sells them to food stores as gourmet meals.
4. A gift basket company buys specialty items in bulk cases and then repackages the items into individual theme baskets.
5. A company identifies food sold in packages and offers these products in bulk with no packaging.

How To Do It

1. Look for a product that is poorly packaged and think of improvements.
2. Find a product that is normally sold without a package and devise a package that would increase its sales.
3. Locate a product that can be purchased in bulk quantities and repackaged into smaller amounts.
4. Find two or more separate products that consumers usually buy or use at the same time. Then plan a package that combines the items, and offer them for sale as a single unit.
5. Look for products that are usually packaged, and consider whether you could sell them in bulk, to lower the price or address the environmental concerns of consumers.
6. Talk to potential customers to find out whether they would buy the alternatively packaged product.

Key Questions

- *What products or commodities could be packaged, repackaged or unpackaged to sell better?*
- *Could different packaging open up new markets for a product or service?*
- *What alternative markets exist for products currently offered just one way?*
- *Could unpackaged goods be packaged? Could packaged goods be unpackaged?*
- *What markets exist for the product whose packaging I am considering changing?*

Improve an Existing Product or Service

Frequently, an existing product or service can be improved by:

- Enhancing the quality;
- Reducing the cost of production;
- Reducing the cost to the consumer;
- Improving durability;
- Increasing power;
- Making it larger or smaller;
- Making it more convenient to use;
- Making it more comprehensive; or
- Updating processes, materials or technology.

Improving an item by any of these means increases its value. Improving a product or service is different from adding value. When you improve a product, you use the idea from the previous product, but improve on it to create a completely new item. When you add value, you purchase a product to use it as a base for your additions or changes.

Some Examples

1. A film processing outlet improved service by processing film much faster than competing firms.
2. A B.C. woman writes instruction manuals for computer software programs. The manuals are easier to use and understand than those enclosed with the software.
3. A B.C. company manufactures pickup truck and recreational vehicle bumpers with storage space for equipment and supplies.
4. A Kelowna masseuse provides an on-site massage therapy service where she travels to offices with a specialized chair to give workers neck and shoulder massages.

How To Do It

1. Select an existing product or service that interests you and analyze the strengths and weaknesses of firms that currently provide it. Identify areas that could be improved and think of new ways you could provide the same product or service.
2. Identify faults in existing products and services that you could eliminate in a similar product or service. Imagine various alternatives that could be tried-ask yourself "What if . . .?" to think of creative ways to improve existing products and services.
3. Talk to potential customers to find out if there is a market for the product or service you plan to offer.

Key Questions

- *What products or services need improvements?*
- *How could I improve an existing product or service? Would this make it more marketable?*
- *Will my improvement to a product or service add value or reduce the price for the consumer?*
- *How can I provide a product or service that is better than those that currently exist?*
- *Is there a market for my improved product or service?*

Imitate a Successful Product or Idea

It may be possible to find a successful product, service or other business idea and imitate it.

Some Examples

1. A clothing manufacturer imitates high-fashion originals and offers them at a lower p[illegible].
2. A Victoria businessman developed an all-Canadian trivia board game which quickly became one of the best-selling independent board games in Canada.
3. A B.C. cookie shop is an imitation of a successful New York operation in almost all respects except the name.
4. A Canadian company started up an on-line grocery deliver service through local grocery stores, based on a similar service in the U.S.

How To Do It

1. Look for what is selling well and assess future market potential.
2. Determine the key factors responsible for the success of a product or service.
3. Find out how to make a product or find one that resembles an item you have identified as successful. Make sure you could produce it in a cost efficient way.
4. Identify potential products or services that can be imitated because they are not available in a particular market, value is added, cost is improved or they meet the needs of a particular niche market.
5. Before you commit yourself to the product or service of your choice, check carefully for potential conflicts or infringements relating to patents, copyrights or licences.
6. Talk to potential customers to find out if there is a demand for the planned product or service.

Key Questions

- *What items or services are selling well? Is that market likely to continue?*
- *What popular products or services could I imitate and make available to a new market, add value to or improve the cost?*
- *What potential customers would purchase my imitation?*

Find a Good Product That Has Failed

A good product or service sometimes fails due to inadequate marketing, inefficient production methods or other reasons. In such cases, an opportunity still exists to make the product succeed, by identifying the causes of the previous failure and eliminating them.

Some Examples

1. A B.C. inventor failed to market a foot massager successfully. A woman with marketing knowledge and experience took over the product and helped it to succeed by using different marketing techniques.
2. A restaurant with a good concept failed because of poor management. A second try under new management was successful.

How To Do It

1. Ask bankers and accountants if they know of any good products or services that have failed due to poor management, marketing or other factors. Consider whether any of these could be improved for a second attempt.
2. Look for business failures and analyze the causes to identify situations that you could try again after solving the original problems. Such failures can be located by watching for bankruptcy notices, talking with bankers, reading auction notices, reading trade newsletters or talking to accountants who specialize in receivership.
3. Look for ideas that failed because they were ahead of their time, but might be successful if re-introduced.
4. Look for ideas that were successful originally but lost popularity and failed. Some of these may be ideas whose time has come again. To rediscover old ideas, read old magazines and catalogues.
5. Advertise in newspapers and magazines for good ideas or products that people tried to market, but failed.
6. Identify your strengths and look for second chances in areas where your talents could be the deciding factor for success.
7. Talk to potential customers to find out whether they would buy the product or service.

Key Questions

- *What services or products have failed in the past?*
- *Could any of these be made successful now through new marketing methods, new management techniques, better financial support or different business strategies?*
- *What changes would be needed to successfully re-introduce the product or service I am considering? Could I carry out those changes?*
- *What potential customers have indicated the re-introduced product or service could succeed now?*

Offer Discount Goods for Resale

If you can obtain goods from a low-cost source, you can discount them-resell them at a lower-than-market price.

Some discount sales operations are set up to take advantage of a short-term opportunity, while others may be operated as long-term businesses, when there are ongoing reliable sources of supply.

Some Examples

1. A retail store in B.C. acts as a liquidator by buying time-expired, bankruptcy, production over-run and manufacturers' clearance stocks and then reselling the items at discount prices to consumers.
2. An on-line company offers a wide variety of discount items to customers for purchase over the Internet.
3. A discount sporting goods store offers its products in a retail outlet, by mail order and over the Internet.
4. A woman buys Christmas cards that individuals and companies have not used, repackages them and resells them at a discount.

How To Do It

1. Decide what type of goods or services you want to market at a discount, and determine whether there is a market for them.
2. Locate sources of supply that will sell to you at an extremely low price. These may include:
   - Bankrupt companies;
   - Manufacturers with seconds;
   - Companies with custom orders not sold;
   - Firms with an oversupply of goods they cannot sell;
   - Companies with out-of-season leftovers; and
   - Companies in need of immediate cash.
3. To assist you in locating these sources of supply, contact:
   - Sales agents;
   - Discount operators in other non-competitive markets;
   - Bankers and receivers;
   - Trade associations' staff members;
   - Accountants;
   - Distributors; and
   - Marketing consultants.
4. Join a purchasing group that has been set up to buy goods at a discount.
5. Make sure you have an adequate source of supply before you start selling.
6. Talk to potential customers to ensure there is a market for items you want to sell at a discount.

Key Questions

- *Where can I find a low-cost source of supplies that I could buy and resell at discount prices?*
- *If I am setting up a long-term operation, is my source of supply reliable and ongoing?*
- *Is there a market for the items I plan to offer at a discount?*

Customize Existing Products

Unique client groups can be served by adapting or tailoring an existing product to meet the special needs of a particular group of potential customers. In some cases, this can mean meeting the needs of a unique client especially for them.

The needs of these groups could relate to characteristics (left-handed, disabled), lifestyles (occupation, leisure activities, income, age), assets (cars, boats, houses) or other factors.

Some Examples

1. An existing educational, recreational or other community service may be offered in a foreign language to meet the needs of a particular ethnic group(s).
2. A store was established in B.C. to supply products for left-handed people.
3. A B.C. woman opened a laser-engraving service where boat-owners could bring glasses, dishes, cutlery and other objects and equipment to have them personalized.
4. A B.C. company produces embroidery and screen printing of logos on clothing or design lines to service corporate clients.
5. A company provides home renovations and consulting on upgrading homes and offices for people with allergies and environmental sensitivities.

How To Do It

1. To find a unique client group you would like to serve:
   - Analyze telephone directory Yellow Pages to find groups with specific interests, activities or occupations (truckers, sports groups, doctors, brides, seniors);
   - Check with your local Chamber of Commerce or library for directories of associations;
   - Analyze newspaper stories to identify special interest groups;
   - Observe unique sections of your city (for example, ethnic areas, or areas with large numbers of retired people or young children);
   - Identify groups that live in remote or unique regions; and
   - Review magazines produced for special interest groups.
2. Analyze the special needs of a group by:
   - Studying various characteristics of the people; and
   - Observing their activities.
3. Identify products and services that are not offered to specific groups, or are not well-tailored to their needs.
4. Find products, services, resources or assets that can be adapted to meet a group's special needs, or create new products for a group.
5. Talk to members of the client group to determine whether there is a market for the product or service you have in mind.

Key Questions

- *Where can I find a group of people with special needs that are not being addressed in the marketplace?*
- *What specific group of people could I serve with specialized products or services?*
- *What product or service could I modify to meet the unique characteristics of the group I want to serve?*
- *Have I talked with the people for whom I am considering providing a specialized product to determine whether there is a market for it?*

Opportunities: Build on Changing Trends

Cater to Discarded Markets

Catering to discarded markets means entering areas left behind by other companies that:

- Have become so large they cannot or do not wish to handle small orders;
- Are competing at the leading edge of a technology and have decided not to service markets based on older technologies; or
- Are expanding into different markets so quickly that they are unable to service all of them properly.

Some Examples

1. Large airlines that cannot afford to service small communities have left a discarded market for smaller commuter carriers to pick up.
2. Obtaining parts for antique cars, tractors, boats and other equipment is difficult for hobbyists and collectors with interests in those areas, since the original manufacturers often no longer supply these. Other companies sometimes move in to service these discarded markets.
3. A B.C. company developed a web site to provide customers with out-of-print books.
4. After a period of time when milk was available only in cardboard containers, some dairies have now returned to supplying milk in bottles. They are addressing a discarded market-people who still prefer bottled milk.

How To Do It

1. Identify areas of technology into which many companies are moving, then analyze the markets left behind as a result.
2. Locate companies that have changed their products or services, then find out whether some customers will require services or products of the previous type.
3. Identify products that become obsolete quickly but remain useful for a much longer period of time. Look for servicing opportunities that have been dropped or overlooked by these companies as they continually focus on the newest models to arrive in the market.
4. Look for industries that have taken a new direction to appear modern, then analyze the opportunities created by the move away from the previous way of operation.
5. Talk with potential customers to find out if they would buy the product or service you are considering.

Key Questions

- *What industries or companies have recently made major changes as a result of new technology, products or approaches to business?*
- *Which of these changes may have resulted in previous markets being discarded or left behind?*
- *What other discarded markets do I know of?*
- *How many potential customers have indicated there is still a need for the discarded services or products I have in mind?*

Take Advantage of a Market Switch

When groups of consumers move from one type of product to another on a long-term basis, new business opportunities can result. Market switches create demands for new products and services.

Some Examples

1. A computer repair service established by two vocational school graduates anticipated the market switch to CD-ROM. Their shop started to specialize in stocking and repairing CD-ROM disc components.
2. To take advantage of the market switch from large to small cars, a company designed and manufactured bicycle and ski racks for small cars. Another firm began to specialize in remanufacturing engine and cylinder heads for Japanese and European cars.
3. A Canadian company began supplying retailers, restaurants and other businesses with point-of-sale equipment when consumers began switching to point-of-sale purchasing.

How To Do It

1. Discover major changes in consumer buying habits by:
   - Reading market research reports;
   - Keeping in touch with current fads that could turn into long-term changes;
   - Observing new products that are growing in popularity;
   - Seeking out trade association research forecasts; and
   - Analyzing changes in your own buying habits, especially when you stop purchasing an item that has become obsolete and begin to buy replacement items with entirely different characteristics.
2. Find products that are associated with a market switch by:
   - Analyzing the advantage of new products to find those that are greatly superior and will likely replace more traditional items; and
   - Looking for new technologies or new products based on new concepts that are revolutionary for an industry.
3. Look for a major product or service that is needed to meet changing consumer demand, but has not yet been provided. Then find a way to provide the required product or service.
4. When the major product in the market switch already exists, look for related services or products that can be used in association with the major product.
5. Talk with potential customers to see if there is a demand for the product or service you would like to provide.

Key Questions

- *What market switches have recently taken place?*
- *Are any market switches occurring now?*
- *How can I take advantage of these changes in consumer buying habits?*
- *Can I address a current market switch to providing the major product or service?*
- *Can I provide secondary products or services related to a new major product?*
- *Have potential customers indicated a need for the product or service I am thinking of offering?*

Capitalize on a Growth Trend

Growth trends occur when industries or activities interest increasing numbers of people. You can capitalize on such growth trends by offering a product or service related to the growing industry or activity.

Some Examples

1. To capitalize the growing trend toward natural health care, many B.C. drug stores now offer natural health care products along with conventional products.
2. A woman who manufactured facial cream expanded her marketing strategy to encompass men as well as women, taking advantage of men's increasing interest in skin care.
3. The growing interest of tourists in eco-tourism led a tourism adventure company to specialize in ecologically minded tours, providing travellers with unique, authentic cultural experiences that interfere with the natural environment as little as possible.
4. Increasing numbers of people are becoming interested in personal enrichment, growth and development. In B.C., as elsewhere, many companies and individuals provide seminars, conferences, courses, books, consultation and retreats to meet the needs of this market.
5. A B.C. businesswoman in a tourist destination community recognized the growing interest in kayaking and opened a kayak rental shop offering lessons, tours and a bed and breakfast.

How To Do It

1. Identify growth trends by:
   - Reading books and magazines that describe future social and economic trends;
   - Talking to community trendsetters;
   - Observing growth trends in other areas or countries, especially the U.S., and in particular, California;
   - Observing the expansion of new retail specialty stores;
   - Attending speeches by innovative leaders, members of think tanks or market analysts; and
   - Asking frequent travellers for their impressions of growing trends or factors in other places that may affect directions of local society.
2. Make a list of growth trends and select those that interest you most. Consider how your knowledge, experience and abilities could help you to meet the demands of new market trends.
3. Select specific growth trends to study in depth. Find out the causes, main issues, effects on society and future possibilities.
4. Watch for opportunities to introduce products or services that fit into a trend.
5. Talk to potential customers to find out whether they would purchase the product or service you want to offer.

Key Questions

- *What current growth trends can I identify?*
- *What activities or industries are likely to experience growth in the future?*
- *What products or services could I provide that would fit into a current or future growth trend?*
- *What potential customers have indicated a need for the product or service I am considering?*

Take Advantage of New Fashions or Fads

Fashions and fads are constantly changing or being "re-invented." You can take advantage of this by providing a product or service that caters to contemporary fashions, lifestyles or fads.

Such a product or service may be something that does not yet exist, or it may be an item that already exists but would benefit from greater promotion. Alternatively, it could be something that existed in a past era-an idea ready to be recycled.

Fashions offer longer-term business opportunities, while fads are more intense and provide short-term opportunities. Because a fad experiences a rapid rise and fall in popularity, the opportunities presented require a more finely tuned response, first to provide goods, then to reduce inventories.

Some Examples

1. Hemp has become a popular product. A B.C. clothing designer has capitalized on this trend by designing hemp fashions and selling to retailers in B.C. and the U.S.
2. Many companies are targetting the "young urban professional" lifestyle, offering expensive foreign cars, high-quality homes and furniture, high fashion clothing and trendsetting dining-out experiences.
3. Recognizing an opportunity presented by the Beanie Baby fad, an entrepreneur had plastic tag protectors manufactured to sell to collectors to protect the condition of their collection's authentication tags.
4. The growing popularity of "boarding"-skateboarding, surfing and snowboarding-has been accompanied by related clothing. A B.C. company distributes boarding fashions to stores selling and servicing boarding equipment.

How To Do It

1. Choose a basic subject area as a focus. For example, your interests, experience and skills may cause you to select toys, clothes, lifestyle, recreation or business.
2. To identify current fashions and fads:
   - Pay attention to magazines and television advertisements;
   - Read leading-edge trade publications relating to industries that interest you;
   - Read popular magazines that cater to fashionable and trend-setting people;
   - Talk to people you know to get opinions on current and future fashions and fads;
   - Observe the fashions and fads on the street around you;
   - Pay attention to fashions and fads in the U.S. and other parts of the world;
   - Attend trade and fashion shows; and
   - Develop contacts in the world's major fashion centres and regularly exchange information with them.
3. Think of ways to transfer fashion ideas from other industries to your own areas of interest.
4. Initiate and promote fashions from popular movies, television shows or lifestyles of famous people.
5. Develop fads for special events or occasions, for example sports events, annual celebrations or holidays, conferences or concerts.
6. Talk to potential customers to determine whether there is a market for the product or service you want to provide.

Key Questions

- *In what industry would I like to promote a fashion or fad?*
- *What items from past eras are ready to become popular again?*
- *What upcoming events could I use as the basis for a fad?*
- *Is there a market for the idea I have in mind?*

Take Advantage of Changes in Government Regulations

Government regulations have a significant impact on business. As government modernizes and updates its regulations and operations, business opportunities may arise.

Some Examples

1. When the federal government made it mandatory for boaters to get a pleasure craft operator's licence, a B.C. entrepreneur started up a pleasure boater's training service.
2. When the Canadian Mint phased out two dollar bills and replaced them with coins, an innovative inventor developed a compartment for holding the new coins that fit into existing cash drawers.
3. Recognizing the opportunity presented by the provincial legislation requiring municipalities to reduce solid waste dumped in landfills, a B.C. company began offering a plastics recycling service promoted widely by the regional district.
4. When liquor laws in the province changed, a B.C. winery opened an on-site restaurant serving culinary creations to complement its wines.
5. Seeing the need for businesses to be made aware of changes in government regulations with an impact on their operations, a group of consultants began producing a monthly newsletter updating its customers on relevant regulatory changes.
6. When a B.C. municipality passed laws banning smoking from all public buildings, a local pub began to marketing to the non-smoking market. Another pub catered to its smoking customers by renovating its outdoor patio to create an inviting area for smokers to frequent.

How To Do It

1. Cultivate an approach of seeing changes as opportunity.
2. To recognize business opportunities presented by regulatory changes, stay abreast of government activities:
   - Monitor the news reported by newspapers, radio and television;
   - Check the provincial and federal web sites regularly for news releases;
   - Keep informed about local events; and
   - Attend municipal council meetings.
3. Create a product or service that takes advantage of regulatory changes.

Key Questions

- *What regulatory changes have recently occurred?*
- *What business opportunities may arise from those changes?*
- *Is there a market for the product or service I have thought of to capitalize on those changes?*

Cover Market Gaps or Shortages

Market gaps or shortages can occur when a needed product or service is not available or when customer demand is greater than the current available supply. Opportunities then exist for someone to step in and meet that demand.

Some Examples

1. Each summer, the demand for rental houseboats was greater than the supply of boats available in a resort area. A local company began building houseboats, selling them and renting them for the owners when they were not being used.
2. A hotel employee noticed that there was a demand for a mattress repair service and none existed. She quickly signed contracts with several hotels and opened a mattress repair business.
3. A computer store employee realized that there was no well-developed source of second-hand computers for clients who could not afford or did not need a new one. He opened a second-hand computer store.
4. A B.C. builder created a specialty service offering 24-hour emergency home repair for a yearly membership fee, which provides a "band-aid" initial disaster response. Actual repair or restoration follows after the crisis has been resolved.
5. A B.C. entrepreneur saw a need for a magazine targetted specifically to home-based business owners, providing information and advice not offered in existing magazines on business and entrepreneurship. The magazine is now distributed across Canada.

How To Do It

1. To find situations in which needed products or services are not available or are in short supply:
   - Ask distributors, agents and retailers what items they have difficulty obtaining;
   - Check delivery items and availability of re-orders of popular products and services;
   - Ask companies to identify services that they need but cannot obtain; and
   - Listen to people you know when they complain about products they cannot find or mention services they wish were available.
2. Look for potential supply shortages caused by companies going out of business, changing their production focus or shutting down for periods of time. You can do this by:
   - Watching out for opportunities in newspapers, particularly on the business pages;
   - Reading trade publications; and
   - analyzing lists of companies in receivership or bankruptcy.

Key Questions

- *What market gaps am I aware of?*
- *What supply shortages am I aware of?*
- *How could I find other market gaps and shortages?*
- *What market gaps and shortages could I meet by providing needed products or services?*
- *What potential customers have indicated that my perceived gap or shortage is genuine?*

Transfer a Concept from One Industry to Another

Occasionally, it is possible to take an idea or method from one industry and successfully transfer it to another.

Some Examples

1. A company that used a specific process to join electrical cables side by side applied the same technique to sailboat rigging.
2. A B.C. entrepreneur started up a daycare service for dogs-the other "children" in the family-for families not wanting to leave their pet home alone all day.
3. A video store realized that customers did not like to carry video machines home, so they set up a delivery system based on the fast-food delivery concept used by pizza and Chinese food outlets.
4. Concepts of computerized inventory control were transferred to feed rationing in the cattle industry-each cow is fitted with a device that permits computers to automatically record and limit daily food intake by controlling access to a feeding trough.

How To Do It

1. Take note of any good ideas you see, and think of other industries or settings where they could be applied.
2. Identify a problem in one industry or sector of the economy, and look for potential solutions in other industries that could be transferred.
3. Develop methods of applying ideas from one industry to the problems of another.
4. Assess the potential effects of using ideas or procedures from one situation to solve problems in another.
5. Talk with potential customers to find out whether they would buy the product or service that results from the transferred idea.

Key Questions

- *What ideas or concepts do I know of that have been especially successful? In what industries have these been used?*
- *Could these ideas be applied to another industry? How?*
- *What good ideas could I adapt to another industry or activity?*
- *What good ideas from my own industry could be successfully adapted to other industries?*
- *What good ideas from other industries could be applied to my industry?*
- *Is there a market for the product or service that is created as a result of a transferred idea?*

Capitalize on Changing Computer Technology

Technology is a part of almost everyone's life today. However, few businesses (or people) have the time or skill to become experts in all applications and stay abreast of the rapid changes. Becoming a technology expert by staying current with hardware/software changes can provide many opportunities to develop a business. You may be able to offer advice, services or information in a subject area you know well.

Some Examples

1. An existing computer retailer started publishing a newsletter to keep its customers aware of new technology on the market and what it could do for their business, thereby making their store the expert in this area.
2. A group of university computer graduates pooled their computer hardware and software knowledge to provide consulting services regarding technology purchases. This expertise allowed people to buy the hardware and software that best suited their needs without feeling obligated to buy one particular product line.
3. A Nanaimo-based training company expanded to offer one-on-one personalized computer training on new software changes as they occurred.
4. A computer operator became an expert on the Internet and offered specialized communication and research services.
5. Two B.C. computer science students got together to create a web site to train Internet users how to on-line invest.

How To Do It

1. Determine which software programs are the most popular in the marketplace. Become a specialist in all program upgrades and/or modifications. Use this information as a saleable tool to individuals or companies through training, publications, consulting, etc.
2. Find companies or individuals that are interested in computerizing but have no idea of the hardware and software most suitable to their needs. Work them through this process.
3. What impact is technology having on your business and the lives of your customers? Identify ways that technology could provide more opportunities for your existing business and/or allow you to provide better service to your customers.
4. Look at the needs that have been created by computerization-for example: people being laid-off; staff not properly trained; changing office furniture needs; etc. Thinks of ways you can meet some of these needs.

Key Questions

- *What technology knowledge or skills do I currently have (or could improve upon) that would be of benefit to potential customers?*
- *How could I turn this knowledge into a business opportunity?*
- *Where do I see the greatest change coming in the world of technology? What needs or problems will this create?*
- *How will I be able to ensure that I stay current with all new hardware or software changes in advance of my customers? Will I be able to cover the expense of continuous upgrades?*

Help Other Businesses Take Advantage of New Technologies

Many businesses lack the technical expertise to take advantage of emerging technologies. Developing products or services that utilize a new technology to allow companies to achieve efficiencies, improve profit margins, expand markets or offer their customers better value, quality or service can present a good business opportunity.

Some Examples

1. Specializing in media convergence, a Vancouver company assists television and radio broadcasters with delivering on-line content.
2. Another Vancouver company helps clients develop and integrate e-commerce applications, enabling them to greatly expand their markets.
3. A B.C. company develops and markets products that allow the high-speed transmission of voice, data and video content over existing communications infrastructures, most of which were not originally intended for digital transmission.
4. A Vancouver Island company has developed software that converges telephone and Internet technology. Using that technology, the business offers toll-free telephone services to real estate agents that potential buyers call for information on a property; the system then generates an e-mail to a sales agent, providing a "warm" lead to follow up.

How To Do It

1. Familiarize yourself with emerging technology. Read trade magazines, business sections of the newspaper and magazines and explore the Internet.
2. Determine how that technology could be used to help businesses improve their services or profit margins.
3. Think of new technologies that could be used in current business processes or practices and develop the technology. If you do not have the expertise to do this, partner with someone who does.
4. Talk to businesses in the industry to find out if they would buy the service or product.

Key Questions

- *How could emerging technological advances be used to benefit businesses or their customers?*
- *Can I think of any technology that could benefit businesses or their customers, but hasn't been developed yet? How can I get that technology developed?*
- *What are the logistical considerations of implementing the technology for the use I've thought of? Is it a do-able idea? Is it a profitable idea?*
- *Is there a market for that technology?*

Create an On-Line Business

The exploding growth of the Internet presents opportunities in a burgeoning new market. The rise in e-commerce, growing consumer confidence in its security and a continuing increase in the computer and Internet literacy of consumers are making way for many new businesses. Revenue sources other than direct sales, such as banner advertising, are enabling entrepreneurs to cater to markets where the end-consumers don't pay for the product or service provided, because other businesses are willing to pay for access to the consumers.

Some Examples

1. A Canadian company started up an astrological web site, after developing personalized astrology software that computes personalized daily readings. Besides banner ads and sponsorships, the company earns revenues by licensing its personality-compatibility software to matchmaker sites.
2. A Calgary company launched an Internet-based tee-booking service, offering golfers the ability to search a range of courses and tee-times and then make a booking.
3. A B.C. entrepreneur started an on-line recipe and kitchen retailer web site.
4. A company offers an Internet search engine service specifically for Canadian web sites.
5. A B.C. company started an Internet-based business selling Canadian-made foods and crafts, with province-specific specialties.

How To Do It

1. Identify a product or service that you could offer over the Internet.
2. Talk to people with interests and hobbies like yours, either directly or through Internet chat services, and think of products or services you could offer that would be of interest to them. Consider products or services related to your interests that you would like to see offered on-line.
3. Search the Internet to find out what similar products or services are currently provided on-line. Determine how you could improve upon any, or how you could create a different, more profitable business structure.
4. Read business and technology magazines to see what other new products and services are being developed. This may trigger ideas for you.
5. Consider how you could earn revenue through your venture. Determine if customers would be willing to pay for the product or service directly, or find other sources of revenues.

Key Questions

- *What product or service do people need that I could offer over the Internet?*
- *How would I earn income with the product or service?*
- *What are the logistical and technological considerations?*
- *Is there a market for the product or service?*

Opportunities: Make Your Current Business All It Can Be

Identify Opportunities Arising From Your Current Business

You can uncover new business opportunities by analyzing your current business operations and finding new directions for your activities. Such opportunities could arise from either the strengths or weaknesses of the business. To provide new opportunities, strengths can be expanded and weaknesses can be corrected.

Some Examples

1. An organization with a huge mailing list of customers did not use it for advertising. Recognizing the missed opportunity, it contracted an agent specializing in direct mail lists to computerize the data. The list is now used to advertise the firm's own products, and generates a rental fee every time the agent rents the list to another organization.
2. A glass cookware company branched out into fibre optics, spinning glass fibres that now form the nervous system of modern telecommunications.
3. A B.C. radio station capitalized on talented staff and state-of-the-art equipment by creating syndicated sports and public affairs programs that they marketed to other stations.
4. An aircraft manufacturing firm's fibre-glass division was under-used when airplane sales were down. Instead of closing it or laying people off during those periods, the company researched additional products it could produce. A unique bathtub was designed and marketed, and became so successful that a new company was formed to produce it.

How To Do It

1. Take an inventory of your human, physical and other operating assets to identify those that are currently under-used. These assets may be: land, equipment, facilities, patents, products, systems, cash, credit, licences, knowledge, skills, experience, contacts, reputation, market position, methods of distribution, location or trademarks.
2. Identify the strengths of your business by considering:
   - Areas in which the operation is innovative or excels;
   - Compliments paid by customers or other people, and company strengths identified by them; and
   - Alternative ways to use strengths.
3. Identify weaknesses of your operation by considering:
   - Areas that are non-productive;
   - Areas identified by customers or others as being weak; and
   - Areas in which your firm is weak and in which competing firms or industry leaders are strong.
4. Use external consultants to review your strengths and weaknesses.
5. Design strategies to improve your strengths, reduce weaknesses or turn weakness into strengths.

Key Questions

- *What strengths can be used as a basis for expansion? How?*
- *What weaknesses can be corrected or turned into strengths? How?*
- *What new opportunities can be identified after consideration of the current strengths and weaknesses?*

Identify the Full Scope of Your Business

Sometimes businesses fail to identify the full potential scope of their operations when considered in a context of the generic category of their business. For example, book publishers are in the information business, soap companies are in the cleaning business and trucking firms are in the transportation business.

Defining the business in a clear and complete manner can lead to the identification of additional business opportunities. For example, soap companies can expand their product lines to include other items that clean.

Some Examples

1. The publisher of a community newspaper realized he was in the information business, and began to publish a newsletter as well.
2. A firm of chartered accountants realized they were in the business of financial control. They expanded their regular accounting activities by hiring a financial controller who serves several small companies on a fee-for-service basis. Their "rent-a-controller" is a success.
3. Managers of a neighbourhood food store recognized they were in the convenience business. They began to provide other "convenience" products, services and features, such as delivery service, 24-hour opening, easy parking, hot snacks and video rentals.

How To Do It

1. Ask yourself what general type of business you are operating.
2. Look at the services and products you provide in order to identify which general categories they fit in.
3. Examine the identified general categories. Then think of other types of products or services in those categories that you are not providing, and consider whether you could expand your operation to offer these additional items.
4. Talk to potential customers to find out whether there is a demand for the additional products or services.

Key Questions

- *Into what general category or categories does my current operation fit?*
- *What other products or services could fall into the same category? Could I expand my operation to offer these additional items?*
- *What other products or services would fit with my business that existing customers would buy, or that would attract new customers?*
- *Is there a market for the additional products or services?*

Take Advantage of Circumstances

Consumer goods and services can be provided as a response to situations and circumstances arising from events of the day. These might include social events, economic changes, business or industry developments, new laws, environmental events or other occurrences.

Some Examples

1. An unusually cold winter on the Prairies became profitable for a B.C. hotel that stepped up its promotional activities to affected areas and put in a toll-free telephone line for reservations. As a result, its occupancy rate doubled.
2. After the eruption of Mt. St. Helens, entrepreneurs developed souvenirs and novelties such as photographs, post cards, dust samples, maps, and other items for tourists and distributors.
3. Deregulation of the telephone industry opened opportunities for private enterprise to compete with large established telephone companies to sell and install phone systems for motels, hotels, office buildings and other commercial facilities.
4. Facing growing consumer concerns about environmental impacts, a B.C. logging company changed its forestry practices to cater to environmentally minded markets.
5. In a city where many citizens were concerned about a health epidemic, a nurse became a distributor for an easy-to-use medical kit that allowed people to self-test themselves for the disease.

How To Do It

1. Develop the attitude that every experience and situation provides an opportunity for someone.
2. To recognize situations and circumstances that can provide a business opportunity:
   - Observe mass media news reported by newspapers, radio and television;
   - Analyze current news stories in magazines;
   - Keep informed about local events; and
   - Look for unexpected or sudden changes in society, the economy, legislation, politics, the environment or businesses that leave many people in an unfamiliar situation.
3. Create a product or service that may:
   - Help people in a crisis (group therapy, useful supplies);
   - Help people to celebrate or remember the event (souvenirs, museums);
   - Provide an experience related to the event (trips, movies); and
   - Help people take their minds off the event by diverting their attention (entertainment, activities).

Key Questions

- *What current situation could provide a business opportunity?*
- *What products or services could be provided to address a market created by a current situation? Could I provide any of them?*
- *What potential customers would purchase the product or service I want to provide?*

Expand Market Areas

When a locally made product or business is successful in the local area, an opportunity often exists to expand marketing efforts to new geographic areas. Sometimes this can involve opening another outlet in another location.

Some Examples

1. A B.C. co-operative that supplied equipment to mountain climbers and hikers was so successful it expanded to 3 stores (one in Ontario) and, in addition, moved into mail order sales.
2. A used camera store in B.C. put its inventory on-line, and now sells its merchandise across Canada and the U.S., as well as in Asia and Europe.
3. A nut and fruit bar made in Vernon and marketed only in the Okanagan region had its marketing expanded to the Vancouver area.
4. A successful B.C. restaurant with a unique concept expanded by setting up similar restaurants in other cities across North America.

How To Do It

1. Identify products or services currently offered by your company within your region and consider whether marketing efforts could be expanded to new areas.
2. To find successful local products or services that are produced by someone else and not distributed to other areas:
   - Talk to purchasing agents;
   - Place classified advertisements in newspapers;
   - Contact your local Chamber of Commerce;
   - Analyze local advertising;
   - Talk to local business people;
   - Look for locally made products in stores;
   - Look for stories regarding local products and services in business magazines, newsletters and newspapers; and
   - Talk to tourists to your region, as well as local travel industry personnel, to find specific products and services that attract businesses, and consider which of these could be imitated, franchised or marketed in other areas.
3. To find successful one-of-a-kind businesses that have been developed by local people:
   - Analyze the Yellow Pages in your phone directory;
   - Identify local fashions and lifestyle activities;
   - Observe retail stores and services in your area;
   - Listen for positive comments from local consumers and business people about local businesses; and
   - Ask visitors to your area for names of unique local businesses they have noticed that they would like to have in their own community.
4. Talk to potential customers to discover whether there is a market for the products or services in the new area.

Key Questions

- *What local products or services could be expanded to new markets in other regions?*
- *What successful local products have not been distributed in other areas?*
- *What local businesses could be successful in another area?*
- *Is there a demand for the product or service in the new territory I am considering?*

Expand your Business over the Internet

The burgeoning growth of the Internet presents all sort of new possibilities: new markets anywhere in the world; new ways of providing your products or services; and entirely new products and services.

Some Examples

1. A human resources consulting firm expanded onto the Internet to provide job posting services, and has experienced huge growth in its business.
2. A B.C. publisher of an annual directory of prospective donors for non-profit fundraisers set up a web site database now accessed by many Ivy League colleges and national non-profit organizations throughout the U.S. and Canada.
3. A Canadian newspaper began offering subscriptions to its publication on-line, reducing costs and improving its customer service by providing access to the newspaper much earlier each day.
4. A B.C. woman who published an "old-fashioned" paper newsletter on travel specifically for women decided to turn her publication into an "e-zine." Her readership exploded and her revenues increased through classified ads and sponsors for the site.

How To Do It

1. Ask yourself what services or products you currently provide that could be offered on-line.
2. Look at similar businesses to see how they are making their product or service available over the Internet. Think about how you could do it better or more profitably.
3. Talk to your customers to see if they would be interested in seeing your products or services on the Internet. Ask them if there are any new or related products or services they would like to see you offering on-line.
4. Your customers may have ideas on how you could improve your customer service by expanding your business to the Internet. For example, an on-line newsletter could provide information and advice in your area of expertise related to your business.
5. Think about how you could attract new customers by providing your products or services over the Internet.

Key Questions

- *What products or services do you offer now that could be offered over the Internet?*
- *Are there new related products or services you could offer on-line to improve your customer service or attract new customers?*
- *Would customers buy these products or services on-line?*
- *What new markets could you access by expanding your business onto the Internet?*

Franchise Your Business

Franchising means selling the rights and support systems for your business or concept, to allow someone else to operate a business patterned after yours in another location. A typical contract would provide you with ongoing income from royalties and/or sales of supplies. Sometimes it provides for shared advertising costs.

Some Examples

1. A successful restaurant sold franchises so that similar restaurants could be developed in other cities to form a chain.
2. A company franchised its concept for Internet business software solutions which provide small and medium-sized companies with e-commerce solutions to make powerful Internet tools available at a fraction of the cost and installation time.
3. A B.C. accountant developed a simple and inexpensive system for doing company accounts. She is franchising the system for others to use and expanding into Ontario.
4. A firm that rented used cars became successful and sold franchises to develop similar businesses in other B.C. locations.

How To Do It

1. Choose a business or develop a concept that is easily duplicated.
2. Identify and talk to potential customers to determine their need for your products or services.
3. When your business has become successful, set up one, then two, duplicates (branches) of your original business. This will ensure each duplicate can generate sufficient income to support both future franchisees and you as the future franchiser. An operating period of one to two years is usually sufficient to establish a track record.
4. Sell your branches as franchises.
5. Decide where you wish to grant other franchises.
6. Advertise through newspapers and magazines, trade associations, trade shows, franchise shows and Chambers of Commerce.
7. Talk to a franchise specialist for assistance and advice in the setup stages.

Key Questions

- *How can I develop a business or concept that I can franchise?*
- *What type of franchise operation would best suit my talents and abilities?*
- *Is there a market for the products or services offered by the type of business I would like to franchise?*

Meet the Same Needs in a Different Way

Many times opportunities exist for business owners to re-position their products or services to reflect more variety or different pricing. By starting a second business offering similar products or services, you are still meeting the same need but can appeal to a different group of consumers without confusing existing customers.

Some Examples

1. A bridal shop specializing in high-end designer wedding gowns recognized a need to sell more affordable fashions and diversify into graduation dresses. Her clients shop at her boutique because she offers very exclusive gowns. Rather than changing her image by expanding her line of gowns, she opened another boutique that caters to the second market.
2. A Canadian music store chain created an on-line ordering service, offering its products at a discounted rate and making them available to customers in market areas previously not serviced by the company.
3. An entrepreneur noticed that while many people frequent a local jewellery shop that carries many expensive collectibles, few people make purchases. By opening a store that offers a different line of similar products, he is able to meet the same customer needs at lower prices.
4. A gift company started a new line of hand-sewn home products using lower-end fabrics after many customers expressed a desire for less expensive gift items where the long-term quality was not as important.

How To Do It

1. Look at your customers:
   - Are there products they have been asking for that you have been unable to provide?
   - Is there something (price, color, etc.) about your current products or services that prohibits them from buying?
2. Determine whether selling different products would damage the existing image of your business. Would there be an opportunity for you to start another 'like' company?
3. Talk to your local Chamber of Commerce to find out if any businesses are closing or moving out of the area. Explore opportunities to meet some of the needs created by these moves.
4. Find creative ways to repackage successful existing products or services.

Key Questions

- *What gaps do I currently see in my area?*
- *Are there products or services I can duplicate and offer in a different way?*
- *If I diversify my existing business, will it hurt or enhance my image?*

Take Advantage of Global Markets

Additional opportunities for an existing product or service often exist in other markets around the world. Think about how you can take advantage of consumer demand or create consumer demand outside the borders of your current market.

Some Examples

1. A local retail outlet selling Harley Davidson accessories was seeing a decline in sales due to the limited number of local customers. Recognizing that Harley Davidson is international, the retailer expanded the business by promoting the products on the Internet and offering mail order sales.
2. A Vancouver company that develops, manufactures and markets temperature-controlling products and packaging systems branched into the U.S. market. It now supplies its products for the transport of pharmaceuticals, seafood, airline food and beverages, and for perishable Internet retail products and commercial shopping networks, throughout North America.
3. A secluded vacation rental company in Tofino, B.C. was able to double its summer rentals (and reduce its high advertising costs) after developing a web site that not only promoted its properties, but acted as a tour reference for people coming to the area.
4. A successful manufacturer of fishing lures noticed a seasonal decline in business during the winter months. By sourcing out additional areas that enjoy a fishing season all year round, the company was able to expand its market into Australia.

How To Do It

1. Look at international markets. Examine products or services produced in British Columbia that could be sold abroad.
2. Talk to Industry Canada or the local trade commissioners to see if there are companies looking for Canadian partners.
3. Investigate free trade agreements to see which markets you could most easily move into.
4. Use the Internet to expand your marketing outreach, provide exposure to different markets and create alliances in different parts of the world.

Key Questions

- *Are there needs in similar markets in other countries that my product or service could fill?*
- *Would it be profitable to sell my product internationally, taking into consideration currency exchange rates and shipping costs?*
- *Would my customer base use the Internet to buy my product or services?*

Appendix A:

Testing Business Ideas

Basic Considerations

A business idea is a business opportunity only if it has a chance of succeeding. The purpose of testing business ideas is to identify those that are actual opportunities. You may think of many ideas, but only one or two of those may prove to have sufficient merit to be considered an opportunity.

To determine whether a business idea is an opportunity, four areas must be explored.

Personal considerations

The planned activities and outcomes must satisfy your personal goals and interests.

Marketing considerations

The products and services must have the potential for success in the marketplace.

Production considerations

You must be able to produce the required volume and quality of products and services.

Financial considerations

Your planned business operation must be able to meet the required financial goals.

Collecting Information

To assure yourself that a business idea can meet the necessary goals in these four areas, many questions need to be answered. You will have to invest time and effort to collect information.

Good sources of information include:

- Canada/British Columbia Business Service Centre;
- Local Chambers of Commerce;
- Government Agents
- Libraries;
- Internet web sites related to business;
- Existing businesses;
- Yellow Pages of telephone directories;
- Purchasing agents;
- Company annual reports;
- Market research reports;
- Trade association literature;
- Journals, periodicals and newspapers;
- Informal contacts in the industry;
- Specialized books related to the trade;
- Statistics compiled by federal, provincial and municipal governments;
- Provincial and federal government publications;
- Community Futures Development Corporations; and
- Women's Enterprise Society of B.C.

Additional information may be obtained by:

- Conducting surveys;
- Observing business activities;
- Observing business facilities;
- Becoming a customer of potential competitors;
- Conducting telephone interviews;
- Conducting personal interviews;
- Carrying out test marketing trials; and
- Producing sample products.

Asking the Questions

The questions that follow will help you determine whether a particular idea merits further consideration. They are designed to highlight any serious problems or deficiencies related to your idea.

Work systematically through each section, gathering enough information to make an informed decision. Organize your information in such a way that each question can be answered. Identify any missing data and collect it.

When you have enough information, you will be able to decide if your idea:

- Represents a potential business opportunity and warrants the preparation of a full business plan;
- Requires some modification; and/or
- Is obviously flawed and should be eliminated from further consideration.

Testing new venture ideas is a skill developed with practice. At first you may find the questions difficult to answer, but after you have used the questions a number of times, your skills will increase.

Questions

Introduction

Write a simple description of your business idea. What do you want to do? Why? Where do you want to do it? What is the product or service you want to provide? Who will buy it? How will buyers use it?

Personal Considerations

1. Is this idea something I really want to work at?
2. Do I have enough money?
3. Can I handle the risk of failure? Loss of personal assets? The risk of damage to my community position and ego?
4. Would I sacrifice important aspects of my lifestyle to turn this idea into a successful business?
5. Is the work something I can get excited about?
6. Is the idea legal and ethical?
7. Will the idea reflect favourably upon my reputation?
8. Do I want to work with the people who may be associated with this idea?
9. Is this idea more important to me than any others that I am considering?
10. Do I have enough time to work on this idea?
11. Do I want to live the lifestyle required by this idea?
12. Does the required work match the types of activities I like?
13. Do I have the health and energy to operate this business?
14. Does my personality suit this type of business?
15. What knowledge, skills or experience do I have that would suit the work required to carry out this idea?
16. Do I have adequate knowledge of this industry, including information on competitors, potential clients, markets and current technology?
17. Do I have adequate technical, managerial, marketing and financial skills to operate this business? If not, can I learn them or employ someone with those skills?

Market Considerations

1. What is my target market?
   - Who are my potential customers?
   - Where are they?
   - What are their demographic characteristics (age, income, marital status, number of children, type of housing, etc.)?
2. Have I asked potential customers whether they would buy my product or service?
3. Have I surveyed my potential customers for their opinions of my planned prices, volumes, packaging, promotion strategies and distribution methods?
4. What patterns of buying behaviour are important for this product or service?
   - When do people buy?
   - How do they buy similar products or services?
   - What is the typical size of orders?
   - Who makes the decision to buy?
   - How much effort is needed to persuade the buyer?
5. How many orders or contracts can I have in hand before I start the business?
   - Where will I find my first customer orders?
6. What does a detailed analysis of the competition illustrate?
   - If a client does not buy my product or service, what alternative would be purchased?
   - Who are the main suppliers of those alternate products?
   - What trends regarding those alternative products are evident in the marketplace?
   - How does each competitor fit into the market, in terms of market share, types of products or services offered, marketing strategies and profitability?
7. Sales probably will be at the expense of competitors. How will they react to my inroads?
8. What competitive advantage does my idea have over those of my closest competitor?
9. How can I protect myself from the competition?
   - Can I have a lower price? A higher price? Lower quality? Higher quality?
10. Will others quickly copy my idea?
11. How much of a head start do I have over my competitors for this idea?
12. Who will sell my product or service?
   - For how much?
   - What sales tools will they need?
   - What training will they need?
13. How will my product or service be promoted?
   - What forms of advertising will I use?
   - Can I handle promotion and advertising myself or will I hire someone else to do it?
   - How much money will I spend on promotion and advertising?
   - How much money is the competition spending and where?
14. What does a detailed analysis of distribution illustrate?

Note: Distribution of a product is one of the major barriers to consider. Begin a dialogue with distributors. Ask retailers for their recommendations on which distributors to approach.

- How will I distribute my products?
- How much inventory will I need?
- Is one product line enough?
- Is there enough repeat business involved?
- What are the production considerations?

Production Considerations

1. Can I produce or deliver the service?
2. How have I assured myself that the product or service will really work?
3. Can I find facilities to use?
4. How much development work is needed before units can be produced or service delivered?
5. What legalities need to be checked (patents, zoning laws, etc.)?
6. How may units can I produce or how many customers can I serve in the first year?
7. Can I find materials at a reasonable price?
8. Can I find good production staff?
9. What equipment will be needed?
   - Where can the equipment be bought or rented?
   - What servicing and maintenance will the equipment require?
   - What are the delivery times for equipment and materials?
10. Can I assemble a management team to develop the opportunity?
    - What management and technical skills are needed?
    - What skills are already available?
    - What skills are still needed?
    - Does this group have the personal contacts that will be needed?

Financial Considerations

Note: Financial considerations are best evaluated using a standard cash flow projection format. A booklet called *Business Planning and Financial Forecasting*, prepared by the Government of British Columbia and Western Economic Diversification, is available at your local Chamber of Commerce.

1. What revenue can I achieve from the sale of my product or service? (To determine this, multiply the actual prices you will receive for products or services by the estimated number of sales, based on the interest expressed by potential customers.)
2. Are my *prices* in line with the competition?
   - If not, why not?
   - How will my customers react to the price, based on their perceptions of the quality of the product? (Ask your potential retailers and/or distributors.)
3. Are my *profit margins* in line with the industry standards?
   - If not, why not?
   - How will my customers react to their own margins? (A retailer marks your product up. Is the margin sufficient to generate the required gross profit, given the volume projections? Ask them.)
   - What margin does the distributor require?
4. What will be the *cost of goods* for the products I produce and/or distribute?
5. How will the *gross profit* compare to other firms in the industry?

6. What will be the *start-up costs* for my business? (Consider fixtures, equipment inventory, legal fees, licences, advertising, promotion, staff recruitment, etc.)
7. What will be the *operating costs* for my business? (Consider salaries, rent, supplies, interest, office expenses, etc.)
8. How will the net profit level compare to those of other firms in the industry?
   - What are the causes of my higher or lower profit levels?
9. Can I obtain the financing required for this idea?
   - Where can I get the money? (Usually from personal savings first, then from family and friends, then from banks.)
   - What terms can be negotiated with the bank?
   - What collateral can I pledge to secure a loan if necessary?
   - How will the bank loan be repaid if the business fails?
   - What credit can be obtained for materials and supplies?
10. Can I survive financially during the early phases of the business?
    - How much money will I need to draw out for personal expenses? (Include this amount in your cash flow projections.)
11. Is the level of financial risk low, average or high?
    - How much money will be lost if the business fails?
12. How can the idea be tested with little or no investment up front?

If, after answering these questions, you are confident that your idea has a good chance of succeeding, proceed with the development of a full business plan or continue your market research. Start with the actual selling of the product or service on a small scale, if possible. This is excellent market research.

Appendix B:
Sources of Help and Information

For a complete listing of contacts for business information and assistance, consult the Government of British Columbia and Western Economic Diversification Canada publication *Resource Guide for British Columbia Businesses.* Copies are available from Chambers of Commerce, Government Agents/Access Centres, Western Economic Diversification Canada, Women's Enterprise Society of B.C., and Community Futures Development Corporations.

For any further information or direction, contact:

Canada/British Columbia
Business Service Centre
601 West Cordova Street,
Vancouver, B.C. V6B 1G1
Phone: (604) 775-5525
Toll-Free: (800) 667-2272
Fax: (604) 775-5520
Info Fax: (604) 775-5515
Web site: http://www.sb.gov.bc.ca/

Appendix C:

Business Ideas

Agriculture, Agrifoods and Secondary Food Processing

- Agriflora - native plants for ornamental market
- Animals farmed for secondary processing
- Appetizers
- Berry farming
- Beverages
- Birds for secondary processing
- Breads
- Butter
- Cakes and cookies
- Cheese
- Chocolate, specialty products
- Coffee beans, import and then processed
- Condiments made from local fruit/vegetables
- Confectioneries
- Dairy products
- Desserts
- Eggs
- Ethnic foods
- Extracts and flavourings
- Fast-food dishes
- Feed
- Fruits and berries
- Fur farming
- Hens
- Meat
- Mushrooms
- Pasta and pasta products
- Paté variations
- Pet food
- Pies
- Roots
- Salad dressings and dips
- Sauces
- Sausages, specialty
- Seasonings
- Snack foods
- Sod farming
- Syrups
- Teas
- Vegetables
- Vinegar varieties

Aquaculture and Ocean Industries

- Aquaculture sites
- Compost of fish offal
- Dock facilities
- Feed
- Fish leather as versatile and fashionable material
- Fish offal for secondary processing
- Fish, small saltwater for aquariums
- Parasite sensors and detectors
- Patés and mousses
- Sea urchins for Japanese market
- Seafood
- Seafood entrées
- Sea salt
- Seaweed for condiments or other product inputs
- Shellfish and shells
- Tools and equipment related to this industry
- Vaccines for fish farms

Manufacturing

- Chemical liquids/Cleansers
- Clothing, specialty and unique items
- Coffins/Caskets
- Dimension stone; e.g., slate, marble, granite
- Eiderdown for duvets, pillows, clothing
- Fibreglass products
- Fire logs
- Fur products
- Leather products
- Moss for decorations and floral arrangements
- Ornamental concrete for gardening and fencing
- Packing material
- Paper products
- Peat
- Pet food
- Sawdust for fire logs and construction uses
- Styrofoam
- Tanning
- Tiles
- Toys
- Uniforms
- Utensils
- Wire/Chain products
- Wood products, bulk
- Wood products, decorative
- Wood products, laminated
- Wooden pallets

Technology and Environmental Industries

- Biotechnology
- Communications
- Custom software
- Database management
- Data processing
- Electronic assembly
- Fishing vessel monitoring sensors
- Geographical Information Systems (GISs)
- Geomatics
- Internet research
- Offshore oil industry
- Oil recovery
- Oil response for spills
- Oil spill clean-up
- Radios
- Remote sensing for pollution detection and vessel activity
- Research monitoring systems for wilderness areas
- Recycling
- Snow handling
- Software design
- Sub-sea technology
- Web page design

Adventure Tourism

- Big-game hunting
- Bird-watching
- Deep-sea fishing
- Hospitality services
- Man-made attractions
- Marine species
- Marketing and brokering services to tourism facilities
- Nature education and interpretation
- Recreational facilities
- Sailing expeditions
- Skills training
- "Soft adventures" not physically strenuous tours
- Tour boats
- Tourist product development
- Underwater diving
- Winter tours

Crafts and Cultural Industries

- Artistry
- Book and other publishing
- Clothing
- Craft and art support store
- Driftwood as production material for crafts
- Jewellery – custom, hand crafted
- Movie/video production facilities
- Music equipment – sale, rental, repair
- Native plants for ornamental display
- Photography
- Pottery
- Print shop, custom and fine art
- Rocks for crafts, decorating, concrete
- Rugs/mats
- Shells of small crustaceans for crafts
- Sound recording services
- Theatre
- Wild flowers for a variety of products

Health Care Industries

- Basic science research
- Biotechnology
- Clinical trials for new pharmaceuticals
- Diagnostic services for laboratories
- Export services for industry developments
- Gloves
- Health care delivery research and consulting
- Home-care services
- Hospital/institutional supplies
- Marketing/distribution services for local products
- Medical kits
- Packaging and distribution
- Sterilization services
- Technical services, maintenance and repair
- Uniforms

Home-Based Business Possibilities

- Animal boarding
- Answering service
- Art gallery and sales
- Audio and visual production
- Baby items
- Baking
- Bed and breakfast
- Beekeeping
- Child care
- Car services, specialized
- Catering
- Children and specialty entertainment
- Cleaning
- Computer services
- Consultant
- Convention and conference planning
- Cooking services
- Database management
- Design and layout
- Desktop publishing
- Distributing
- Door-to-door selling
- Energy services
- Event and party planning
- Exporting
- Farming
- Fashions
- Food products
- Footwear
- Fund-raising
- Furniture polish
- Furniture repair
- Gardening
- Geographical Information Systems
- Gift basket service
- Glass blowing
- Guided tours
- Hobby, craft and art supplies
- Home renovations
- Image consulting
- Importing
- Information service
- Interior design
- Internet research
- Jeweller
- Lawn and garden care
- Leisure activities
- Mail order service
- Maternity fashions
- Media productions
- Novelty items
- Office planning
- Packaging
- Personal services
- Personal shopping
- Photo postcards, picture postcards
- Photography
- Polishes and cleaning products
- Placement and assistance
- Pool cleaning
- Pottery
- Print shop
- Professions without special facilities
- Publishing
- Rebuilding
- Recreation
- Research
- Résumés
- Seminars
- Sewing
- Shoe repair
- Sports equipment
- Telephone soliciting
- Training
- Tutoring
- Videotaping
- Web site design
- Word processing
- Writing and editing